

Mrs Gandhi arrests 676 her political opponents

Mrs Gandhi, the Indian Prime Minister, had 676 political opponents arrested yesterday after a state of emergency had been declared in the morning. Many of them were taken from their beds to jail.

lot to incite mutiny in forces alleged

In Ahmedabad, the capital of Gujarat state in the West, he added: "The state is ruled by a non-communist Opposition coalition, which won elections for a new state assembly earlier this month over Mrs Gandhi's ruling Congress Party."

Police burst three teargas canisters in the air over the town, he said. "There were also 'two minor cases of arson' in the town of Mehsana."

Many of those arrested today were taken straight from their beds to jails all over the country. The spokesmen agreed they could be identified as belonging to the non-communist Opposition parties and dissidents of the ruling Congress.

He said 90 people were arrested in Delhi and 450 in the central Indian state of Madhya Pradesh. Other detentions under the Maintenance of Internal Security Act were made in Punjab, Haryana, Bihar, Rajasthan, Karnataka, Uttar Pradesh and Andhra Pradesh states.

Partial strikes and business shut-downs in Bombay and in Karnal, Haryana state near Delhi, were also reported.

The ruling Congress Party announced tonight that six dissenting members of the party had been suspended from primary membership. No reason was given, but at least one of them, Mr. M. D. Datta, former Minister of State for Works and Housing, had publicly called on Mrs Gandhi to resign following her arrest.

In another surprise development, Mr. N. S. Palkhivala, who has been representing Mrs Gandhi in her Supreme Court appeal against the conviction, announced he was withdrawing from the case.

At Poona, in western India, about 1,000 people took part in a procession, some stoning buses, and about 75 people demonstrated outside the Governor's house in Trivandrum, capital of the South Indian state of Kerala.

Delhi itself remained quiet. Shops and government offices were open as usual.

The demands for Mrs Gandhi's resignation after nine years in office came after her conviction on June 12 by the Allahabad high court for election malpractices, under which she is barred from office for six years. The conviction was on two counts of corruptly using Government officials in her personal campaign in the 1971 elections.

The Supreme Court in Delhi on Tuesday granted a stay on the sentence, but made only a conditional order.

The Supreme Court ruling allowed her to continue in office but barred her from voting in Parliament.

An appeal against her conviction is due to be heard by the Supreme Court next month.

Mrs Gandhi text, page 5
Can she survive? page 12
Leading article, page 13

Judgment today on Crossman diaries

Judgment will be given today in the High Court by Mr Justice Ackner on an application by the Attorney General for an injunction to restrain *The Sunday Times* from publishing extracts from the late Richard Crossman's diaries or any other material that reveals details of Cabinet discussions.

It is expected that whichever party loses will appeal against the decision.

Yesterday's submission in court that the newspaper could not be allowed to publish extracts from any former minister's recollections of Cabinet discussions in the past 30 years until the forthcoming action is tried was made in connection with a decision to stand the writ setting an injunction to restrain the publication of the diaries.

The decision to amend the writ was given to *The Sunday Times* only on Wednesday night. Originally, the writ covered only an injunction to stand the writ setting an injunction to restrain the publication of the diaries.

The action proper will be heard in about four weeks' time, alongside the Attorney General's action to prevent publication of the book, *The Diaries of Richard Crossman*.

Mr James Conyn, QC, counsel for *The Sunday Times*, succeeded yesterday after more than an hour of legal argument in having the application for the injunction held in public.

Mr Harold Evans, the newspaper's editor, said before the hearing that the Attorney General's new request would put an unprecedented restriction on political inquiry.

The newspaper, which published extracts from the diaries last week and compared them with other ministers' recollections, including those of Mr Wilson in his memoirs, was planning to publish more extracts on Sunday, covering the economic crisis of 1968.

It offered in court not to publish anything new from the diaries for the next four weeks.

But the further restriction sought was a gag, counsel said, which "even for 24 hours is a substantial intrusion into the freedom of the press."

Material would have to be submitted in advance to the Cabinet Office, and that could even include letters to the newspaper from former ministers.

The court would also apply to the rest of Fleet Street, a kind of "summer madness" might have come over the Attorney General, Mr Conyn suggested.

Law Report, page 18



The Queen making a tour of the new Covent Garden fruit and vegetable market at Vauxhall yesterday after unveiling a plaque during the official opening ceremony.

Mr Rabin leads Israel mourning for assassins

From Eric Marsden
Jerusalem, June 26

Thousands of Israelis, headed by Mr Rabin, the Prime Minister, attended the funeral of the two men who were killed in the assassination of the Prime Minister in the Middle East, in November, 1944. They were buried with full military honours in the section of the cemetery reserved for martyrs and heroes.

The bodies of Eliahu Hakim and Eliahu Bet-Zuri were returned by Egypt yesterday, after a long delay. They were buried in the buffer zone of Sinai, in exchange for 20 Arab prisoners from Sinai and the Gaza Strip. At the ceremony, Swedish troops of the United Nations formed a guard of honour.

The bodies lay in state for five hours this morning in the Hall of Heroes, in Jerusalem, that contains relics and records of the struggle of the Jewish terrorist organizations against the British authorities in the 1940s.

Mr Rabin was the first visitor to file past their biers. He arrived a few minutes before 8 am and was escorted by members of the two men's families and representatives of the former underground organizations.

After standing before the coffins, which were covered with flowers, the Prime Minister was shown the condemned cells in the old prison and the gallows room.

Other ministers, members of the Knesset and service officers were among later visitors and parties of school children were conducted round by their teachers. Police had cordoned off the part of the Russian compound, containing the Hall of Heroes, and troops with automatic weapons stood guard at the entrance to the compound.

Two men in white shirts and blue trousers stood to attention in front of the coffins and an armed soldier was posted in each corner of the room.

At the funeral on Mount Herzl, Mr Rabin was accompanied by Mr Alon, the Minister of Defence.

Continued on page 3, col. 5

Sale rooms commission cut in rate struggle

By Geraldine Norman
Sale Room Correspondent

The commission rate battle between fine art auctioneers developed further yesterday when Phillips announced that it will cut its commission to a flat rate of 10 per cent from August 1. At present Phillips charges vendors 12 per cent on most items and 15 per cent in a few categories.

The move follows the announcement three weeks ago that Christie's proposed to cut its commission to 10 per cent from August 1. At present Christie's charges vendors 12 per cent on most items and 15 per cent in a few categories.

Although Christie's decision was unilateral, Sotheby's quickly announced that it would follow suit. At present both houses take commission from vendors only, at a rate ranging from 10 to 15 per cent. Phillips will continue to take commission only from vendors, so its charges will be half those of the two big houses.

Christie's and Sotheby's decisions have already caused a furore in the trade. It is argued that the introduction of buying commission will hopelessly confuse value-added tax accounting while the new rate will undermine the traditional cost advantage of London over Continental centres and chase business away from England.

A meeting has been set for July 3 between the two big sale rooms, the British Antique Dealers' Association, the Society of London Art Dealers and the Antiquarian Book Dealers to discuss the difficulties. Phillips's daring decision to cut its rates will add new fuel to the dealers' argument.

Mr Christopher Weston, chairman of Phillips, said yesterday that the move had been forced upon his firm. The fact that Christie's and Sotheby's were charging vendors only 10 per cent, while presumably obtaining prices about 10 per cent lower than usual on account of buying commission, would inevitably have undermined Phillips's competitive position. It would have been hard to make vendors believe that it was in their interests to pay a 12 per cent commission when the privilege of selling at an auction room, where no buying commission was charged.

By cutting its rate to vendors to match that of Sotheby's and Christie's, Phillips will have an unchallengeable advantage. It remains to be seen whether it lets the goods.

Unusual tactics by Bank as pound falls to lowest level

By Melvyn Westlake

The pound yesterday sank to its lowest level ever on the currency markets amid mounting alarm overseas that time is running out for Britain. The slow process of hammering out new voluntary pay restraint guidelines and the outright rejection by some union leaders of any such pay curbs has created a climate of intense nervousness around the pound.

By the end of European trading yesterday the pound stood at its weakest closing level. Its "floating devaluation" rate against 10 other key currencies, from the base-date of December 1971, reached 27.1 per cent. This was 0.3 percentage point worse than on Wednesday night and almost 6.0 percentage points weaker than its level three months ago.

On the Stock Exchange ordinary shares dropped sharply to their lowest level since early March and Government stocks dropped by up to 50p.

Selling of sterling was particularly heavy during the morning and looked like developing into a full-scale run on the currency. In a determined attempt to stop this happening, the Bank of England moved into the market and began supporting the pound.

But it chose to adopt a very unusual tactic in providing this support. Instead of buying sterling secretly through other banks, it bought quite openly in its own name. By thus declaring to the world that it was earnestly intent on propping up the pound, it succeeded, at least for the time being, in reversing the currency's downward trend.

At its worst point during the day sterling's "floating devaluation" is calculated to have reached 29.2 per cent. In achieving the modest recovery later, the Bank of England is estimated to have spent about \$25m of Britain's precious foreign currency reserves. This was very much less than the estimated \$200m spent on support in a single day during the last serious run on the pound last May.

At a comparatively small cost, the Bank thus managed to convince foreign bankers that it would stop the pound's exchange rate from declining any further.

However, the pound's rate against the dollar fell below \$2.2400 for the first time for 17 months, but closed at \$2.2430 to show a net fall of 14 cents. Since March it has dropped almost 20 cents or more than 8 per cent.

Much of yesterday's earlier heavy selling appeared to have been triggered off by reports that Swiss bankers now believe that the sterling-dollar exchange rate would be allowed to fall to \$2.18 to justify a package of measures including import controls. The Swiss bankers were among the heaviest sellers of sterling yesterday.

Shares in retreat, page 15

Inflation package to be ready before deadline

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr Wilson and Mr Short, the Government's chief business manager, made it clear in the Commons yesterday that the package of measures to combat inflation is likely to be presented to the House well before the six-week deadline set by the Chancellor of the Exchequer has expired.

Mr Short gave an assurance to Mrs Thatcher, Leader of the Opposition, who had demanded a two-day debate on the proposals, that time would be given for MPs to debate these matters "at length". With only four weeks left before the House is expected to rise for the summer recess, the Prime Minister heralded the agreement on Wednesday of TUC leaders on tougher guidelines to restrain pay settlements as an important advance on which to build and something that had not happened before on a TUC decision.

It was a "big step forward" that the TUC leaders were taking in relating wage settlements over the next year to the target for price increases and not to the needs of the previous year. What had happened, he said, was "extremely hopeful".

With the pound still falling on the foreign exchange markets yesterday, Mr Wilson was urged by Mr David Steel, from the Liberal benches, to make his statement on the Government's measures before the end of the session. Mr Wilson indicated that the new TUC move had signalled the way for the Government to act rapidly.

Although he wanted to make sure that the package was in a workable form when presented to the House, the Prime Minister said he would like to act before the deadline.

He wanted to ensure that what was produced was workable and acceptable to the House. The Government was now in a position to discuss the TUC's six-point plan, and that would be done urgently. He felt that that solution would have widespread support.

The Prime Minister made clear to the left-wing Tribune group that it was unlikely to find much comfort in the economic package whenever it came. He told the House that he was well aware of the group's programme. The main proposals had been rejected by the Government.

Our Political Correspondent writes: Ministers were pleased yesterday with the first response of the TUC General Council. Other government measures to combat inflation, now being prepared, will be affected by the success ministers, the TUC and the CBI achieve in reaching agreement on wage and price policy. But there were reservations in government quarters.

According to some ministers a lot of work has to be done by the three parties to the negotiations before the Government will be satisfied.

Union leaders opposed, page 2
Parliamentary report, page 6

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are for the MPs" (the
association reports).

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Leading article, page 12

Lucan sighting questioned

Doubts have been raised over the so-called sighting of Lord Lucan in Cherbourg. French police said yesterday that the owner of the Grand Hotel and members of the staff were certain, from photographs, that a man who stayed there three times was Lord Lucan. They said he spoke perfect French. But Lord Lucan's friends in London said he spoke the language very poorly.

Page 4

Pay blow to TUC

Leaders of three million engineering and shipbuilding workers yesterday delivered a blow to the TUC's proposals for a flat rate pay increases. The annual conference of the Confederation of Shipbuilding and Engineering Unions unanimously carried a motion calling for a substantial compromise over the terms of the proposed constitutional conference to decide its future.

Page 15

Rhodesia talks hopes

Mr Edwards, the Minister of State for Foreign Affairs, has arrived in southern Africa for a round of discussions amid speculation that Rhodesia is prepared to compromise over the venue of the proposed constitutional conference to decide its future.

Page 5

Detailed trials for first electric car

Britain's first electric car in regular production is to be given a detailed evaluation by the Electricity Council. The Enfield 8000, a small city two-seater, has a range of 55 miles and a top speed of 40 mph. It is priced at £2,808. The council is taking delivery of 51.

Page 3

Dearer smoking

Prices of cigarettes, pipe tobacco and cigars will be increased by Carreras Rothmans from next month. Rothmans King Size, Peter Stuyvesant and Piccadilly King Size will go up by 10p for 20 to 40p, and Constable Menthol to 44p, Piccadilly Filter and Piccadilly Mild to 42p.

Page 4

Rape victim's plea

"Mrs X", one of the victims involved in the recent rape case at the Central Criminal Court, heard before Judge Christmas Humphreys, asks in a letter to *The Times* who will protect her if the "calculated risk" taken in releasing the youth involved proves to be a miscalculation.

Letters, page 13

Plan for the press

Government loans, possibly interest free, could help the industry to cope with redundancy problems arising from the adoption of new technologies, Mr Duke Hussey, managing director of Times Newspapers, said at a London conference yesterday on the printing industry.

Page 16

Choice for Europe: The Labour Party

delegation for the European Parliament was named last night, apparently after two revisions.

Page 2

Tenants' rights: Council tenants are often

treated as second-class citizens, with fewer rights than other householders, Shelter says in a report out today.

Page 3

Lady Falkender: Libel damages, an

apology and costs were received by Mr Wilson's political and private secretary in a High Court action.

Page 3

Luxembourg: Mr Benn calls for EEC

meetings to be more open to ease suspicions.

Page 4

Wimbledon tennis: Graham Stilwell

reaches the last 16 of the men's singles but Mark Cox is eliminated by Jimmy Connors.

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Belmont: A six-page Special Report on one

of the world's tensed investment centres

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Letters: On Israel and Lord	Aspin and others
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Michael Hornby asks whether Mrs	Gandhi can survive the crisis she
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David Robinson reviews new films.	Stanley Sadie on <i>Cost fan tutte</i> at
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Introducing the family computer.	So simple that a child of 10 can
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of the oil companies as they await	the impact of fresh crude price
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Business Diary: How the Prince	of Wales came to be sitting in
of Wales came to be sitting in	at yesterday's EP board meeting

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HOME NEWS

Union leaders oppose six-point TUC pay restraint guide

By Tim Jones
Labour Staff

As the Government and the CBI yesterday studied the TUC's six-point plan to combat inflation, leaders of some of the most important unions made it clear that they opposed the scheme, which includes proposals for a universally applied flat-rate pay increase.

As if to emphasize the point, delegates at the annual conference of the Confederation of Shipbuilding and Engineering Unions yesterday supported a new wage claim, allowing for plant-level bargaining, which is clearly contrary to any "flat-rate" plan.

Some union leaders felt that both the Government and the TUC would run into trouble by fully endorsing proposals that do not take into account traditional differentials between skilled and unskilled workers.

Mr John Lyons, general secretary of the Electrical Power Engineers' Association, who recently negotiated a 31 per cent pay rise for his higher-paid members, said: "The general council is right to give a lead in favour of restraint, but wrong in the lead it has given."

Mr Lyons, who has argued strongly that present inflation is "unquestionably wage-induced" added:

In trying to impose a flat-rate increase for everyone it is outdoing Ted Heath's statutory pay policy, and the long-term effects will be just as harmful. While the TUC insists on government by consent for itself no attempt has been made to obtain consent among those within the TUC.

Mr Lyons said that while the low-paid worker had to be specially protected, "in continuing to penalize the skilled worker is sheer folly." The Government should reject any deal on that basis.

Mr Hugh Scanlon, president of the Amalgamated Union of Engineering Workers and a member of the TUC General Council, said: "Because of the policy decisions of my own union I am unable to support either the existing social contract or these new proposals."

He added: "My own view has always been that if all unions were prepared to honour it fully the existing social contract was capable of making some contribution to beating inflation."

Mr Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, was against changing "fundamental principles" in wage bargaining and thought the existing contract could have been made to work.

Shipbuilding Union's conference, page 15

Amendments curb NEB control over newspapers

By Our Political Staff

The Government yesterday tabled amendments to the Industry Bill that limit the powers of the National Enterprise Board to take an interest in newspapers.

Where the board or any of its subsidiaries acquires any of the share capital of a conglomerate which includes newspaper interest the board will have to dispose of the newspaper interests as soon as practicable.

The only qualification is that the Secretary of State can release the board from the obligation if he believes that such a direction could cause serious commercial injury to any newspaper, magazine or periodical concerned.

The new clause also states that neither the board nor any of its subsidiaries shall commence a business of publishing newspapers, magazines or other periodicals for sale to the public in the United Kingdom, or enter into a contract with the Independent Broadcasting Authority for the provision of programmes.

Uncertainty on aircraft takeover Bill

By Our Political Staff

Uncertainty about government plans for the aircraft and shipbuilding industries was increased by Mr Short, Leader of the House, in the Commons yesterday.

He was asked by Mr Peyton, Conservative MP, to clear up uncertainty on when the Aircraft and Shipbuilding Industries Bill, under which sections of the industries would be taken into public ownership, would receive its second reading.

Mr Short said he did not know when it could be given a second reading, but hoped to give a clear indication next Thursday.

There is speculation that the Bill may have to be dropped this session because of pressure of business.

Parliamentary report, page 6

Mr Hain's view 'not Young Liberal policy'

By Our Political Correspondent

Mr Barry Brich, political vice-chairman of the Young Liberals, yesterday dissociated the organization from an attack by Mr Peter Hain on proportional representation in the latest issue of the Young Liberal Journal, *Liberaliser*.

The object was to demonstrate that Mr Hain, president of the Young Liberals and the Liberal Party's publicity officer, was putting forward a personal view.

Mr Brich said: "His attack runs completely counter to Young Liberal policy as expressed by resolutions at this year's and last year's conferences, when the movement was committed not just to supporting proportional representation but to actively campaigning for it. Although we are concerned that proportional representation is being used as an argument for a party of the centre, we see it as a way towards a more democratic system."

Unions have direct access to well informed, helpful pressure groups. Sponsored MPs' 'privilege' is amply paid for

By Roger Berthoud

The "privilege" enjoyed by sponsored MPs referred to by the Yorkshire area council of the National Union of Mineworkers on Wednesday, when it imposed rigid restrictions on MPs sponsored by the union, does not tell the whole story.

In exchange for union endorsement at nomination stage, some help with election expenses, and a small annual subsidy towards parliamentary expenses, the unions gain pressure groups of well informed MPs well placed to battle for their members on issues affecting union interests.

A total of 128 MPs are sponsored by trade unions. The National Union of Mineworkers accounts for 18 of them.

The biggest privilege enjoyed by the NUM's sponsored members is endorsement by the (often predominant) union representation on the general management committee of the

local Labour Party. The decision on endorsement, however, is taken by the national executive committee of the union, not locally.

If the candidate endorsed by the union is nominated, the NUM will pay up to £1,000 or four fifths of certified election expenses, whichever is less, but that benefits the party rather than the candidate. The union also pays an allowance of about £100 a year towards parliamentary expenses.

Union-sponsored MPs are organized into trade union groups in the Commons which meet regularly to discuss policy and tactics relating to items affecting their particular industry. The chairman of the miners' group is Mr Adam Hunter (Dunfermline), its secretary is Mr Alexander Wilson (Hamilton). Both are ex-officio members of the national executive of the NUM and attend its monthly meetings in London.

The union is thus assured of regular contact with a big group of MPs that knows what the policy of the national executive is, and how its members might respond to any proposed legislation.

If a union feels the MPs it sponsors are not doing enough for the union in parliament, its view can be conveyed to each MP's constituency party. But even a decision not to endorse a sponsored MP would not necessarily persuade the constituency to drop him.

The classic case involving a clash between an MP and his sponsoring union involved the late Mr W. J. Brown, Independent MP for Rugby, and the Civil Service Clerical Association, of which he was parliamentary general secretary from 1942.

Mr Brown's views embarrassed the association, which sought to discontinue his services. In 1947 a complaint was made to the Privileges Com-

mittee of the Commons that the union's actions were calculated to influence a member of the House of Commons.

The committee decided that the making of payments to MPs by associations of constituents or other outside bodies did not in itself involve a breach of privilege. But a Commons resolution passed on July 15, 1947, declared that it was inconsistent with the House's dignity for a member to enter into an agreement with an outside body which limited his freedom of action in Parliament.

Mr Stanley Orme (Labour, Salford, West), who has been sponsored by the Amalgamated Union of Engineering Workers for 12 years, said yesterday that he paid due regard to the union's views, but he also had a responsibility to his constituents, to the Parliamentary Labour Party, to the party conference: there are a number of elements to bear in mind.

Parliamentary report, page 6
Leading article, page 13

Labour list for Europe completed a third try

By George Clark
Political Correspondent

The Labour Party's delegation of 12 MPs and six members of the House of Lords for the European Parliament is approved by the Parliamentary Labour Party last night, with discussion or disagreement. It was understood that there had been some last-minute change to ensure that the balance of opinion between supporters and opponents of the EEC was accurately represented.

A surprise omission was that of Lord George-Brown. It was well known that he would have a voice in the European Parliament.

The final choice, apparent after two revisions, gave four anti-EEC MPs five seats out of the 12 from the Commons, a two out of the six from the House of Lords. It is generally expected that the election will be held next week to prepare for its attendance at the plenary session in Strasbourg. Michael Stewart (Hammersmith, Fulham), the former Secretary of State for Foreign and Commonwealth Affairs and devoted campaigner for a European cause, will be elected leader.

The members of the delegation are as follows (from opponents of the EEC mark with an asterisk):

Mr Prescott (Kingston upon Hull); Mr Guy Barnett (Greenwich); Mr Stewart (Hammersmith, Fulham); Mr John Birt (Reading); Mr Evans (Newcastle); Mrs Dunwood (Crewe); Mr Richard Mitchell (Southampton); Mr Ma Boucher (Dumfries); Mr Weir (Luton); Mr W. H. Hamilton (Plebe, Central); Mr T. Ellis (Wrexham); and Miss Bostock (West Bromwich, West).

The peers are: Lord Ardwick; Lord Bruce of Donington; Lord Selsby (Huntingdon); Mrs Cusi (Secretary of State for Social Services); Lady Fisher of Redn; Lord Gordon-Walker; and Lord Welton.

Later, Lord George-Brown said: "I want it to be known in the country and on the Continent that all Labour's efforts to secure a fairer Europe are available for selection for the European parliamentarian delegation. I happen to be only one of the three who actually made the application to go in Europe. I am the one rejected by the Prime Minister. I just want colleagues in this country and on the Continent to know that I was available."

It was suggested in some quarters last night that the late changes were made as a result of left-wing pressure. It is now claimed that the left, in its determination to get the party into the European Parliament, has five representatives in the delegation.

The PLP decision of a week ago that the party should see to join the socialist group in Strasbourg cannot be followed automatically, it seems. Discussions between the Labour Party and Herr Ludwig Fallermale, leader of the socialists earlier this week, have disclosed political disagreements and further negotiations are required.

Girl not infectious

Miss Susan Stevens, aged 2 of Castle Donington, Leicestershire, who was taken to hospital in Crawley, Sussex, Wednesday on returning from a holiday in Tunisia, is suffering from acute polyneuritis. It is not infectious, it is stated yesterday. Her condition was satisfactory.

Inquiry by coal board and miners into fall in output

By Paul Routledge
Labour Editor

Miners' leaders and the National Coal Board are to set up a special investigation into falling productivity in the pits. This comes after a decline in output that has deprived miners of £2.90 a week production bonuses just before their annual policy-making conference debates a militant call for 65 per cent pay rises.

The National Union of Mineworkers and the board yesterday discussed output figures for last week, which show that production was down by 20,000 tons on the previous week to 2,262,000 tons, and although the collieries will meet the modest target set for the April-June quarter, productivity has declined so much that there will be no production bonus in the July-September period.

Failure to produce the extra tonnage was attributed partly to the number of men taking rest days in the new holiday year that began in May. These are being taken at the rate of 14,000 a day, but the board said that was only one of the factors responsible for the disappointing output. Productivity is down to 44.2 cwt a man-shift, lower than it was two years ago.

Though there were some acrimonious exchanges between union leaders who had wanted a national productivity scheme that gave the same bonus all round and moderates who last year unsuccessfully demanded a pit-based scheme, the meeting went off relatively amicably. A

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Civilians threaten action to win officer status

By Peter Hennessy

Ministry of Defence civilians in supervisory grades at RAF stations, naval dockyards and in Royal Ordnance factories yesterday threatened to take industrial action to achieve officer-equivalent status, which would entitle them to officers' privileges at service bases in the United Kingdom and abroad.

After a meeting with Sir Michael Cary, Permanent Secretary to the minister, at the department's Whitley council, Mr William Wright, assistant secretary of the Institution of Professional Civil Servants, said it was intolerable that 10,000 of his members in

professional and technology officer grades three and four should be denied the use of the officers' mess when their pay and responsibilities were the equivalent of captain and lieutenant.

Mr Wright said that if officer status was not granted his members would begin a "go-slow" which could affect the production of armaments and the servicing of RAF aircraft. He added: "We have a crowd of about 150 waiting outside the court as we are driven away in a police van. Some banged on the sides of the van and a few booed as it drove off. The police had backed the vehicle to within a foot of a side entrance as Mr Cook, handcuffed between two officers and with a blanket over his head, left the court."

The hearing lasted only five minutes. Mr Cook, of Limes Road, Hardwick, near Cambridge, was committed to Norwich Crown Court. Originally he faced seven charges of rape. Yesterday, one was changed to a charge of burglary.

The charges were read to Mr Cook by Mr David Jones, the magistrates' clerk. The application for commitment was made by Mr Kenneth Horn for the Director of Public Prosecutions.

Father who debauched his children

From Our Correspondent

A man aged 35 who admitted debauchery with his seven children over a period of nine years was sentenced at Leeds Crown Court yesterday to 15 years' imprisonment.

He pleaded guilty to a total of 18 sexual offences against his five daughters and two sons, most aged between eight and 18. Mr Justice Kenneth Jones, who ordered that the children's names should not be disclosed, told the man: "In 30 years' experience I have never known, in sexual matters, a man who has descended into such depths of evil."

Crisis facing bus services

Rural bus services are facing their most critical crisis, it was stated yesterday. The gap between losses and public money available is becoming virtually unbridgeable.

Yesterday the Association of County Councils said the situation was the most serious that had arisen in the field for a long time.

Next month the association's planning and transportation committee is expected to urge the Government to give support to the National Bus Company.

Father attacked headmaster

A father who used a drain-cleaning rod to beat his headmaster who had caned his son was given a suspended sentence of six months at Ipswich Crown Court yesterday and fined £50.

Cambridge man sent for trial on rape charges

Peter Samuel Cook, aged 47, a van driver, was committed in custody for trial by magistrates at Cambridge yesterday, on charges of raping six women. A crowd of about 150 waited outside the court as he was driven away in a police van.

Some banged on the sides of the van and a few booed as it drove off. The police had backed the vehicle to within a foot of a side entrance as Mr Cook, handcuffed between two officers and with a blanket over his head, left the court.

The hearing lasted only five minutes. Mr Cook, of Limes Road, Hardwick, near Cambridge, was committed to Norwich Crown Court. Originally he faced seven charges of rape. Yesterday, one was changed to a charge of burglary.

The charges were read to Mr Cook by Mr David Jones, the magistrates' clerk. The application for commitment was made by Mr Kenneth Horn for the Director of Public Prosecutions.

Husband denies taking money to pay debts

Captain Jack Dennis, who is defending a £33,850 claim against his former wife, Mrs Joan Dennis, denied in the High Court yesterday that he lost several hundred thousand pounds gambling and took money from her bank account to pay his debts.

Estimating his net gambling losses during his marriage at £25,000, he said in answer to questions from Mr Neil Butcher, counsel for his former wife: "I only went gambling to the Clermont Club nine times. Five of those with my wife. Once I went there in desperation on my own for £30,000 on a game that is illegal now."

"Mr Aspinall, who owned the club, asked me what I was going to do. I said I would pay, and he said I must have been mad. I went home and told Joan, who was really sweet about it and said it would be good for my character."

Captain Dennis said he had once won £25,000 at the club and £10,000 on two other occasions. Although large sums, totalling about £180,000, had gone in and out, the total losses were fairly small. "Over the nine visits I would say I lost £8,000 or £9,000."

Captain Dennis, aged 60, of Lower Ash, Nettlebourne, Sussex, was giving evidence denying allegations by his former wife, of Grosvenor Square, Mayfair, that he cheated her out of £33,850 by asking her to sign blank cheques, pretending that they were to pay small household bills.

Captain Dennis said that his wife received an annual allowance of £5,000, two houses in Bermuda and jewels worth £140,000 among other gifts from Sir Harold Werner during their marriage.

He said that after he married he inherited £100,000 from one uncle, £6,000 from another and £8,000 from an aunt. His father gave him £16,000 cash and he was a £25,000 shareholder when his mother died. After his wife had left him in 1969 "I had no interest in anything. Over the following year I sold everything I had, except for a few shares."

In 1970, he said, he was "wandering homeless around England" with only £30,000 total assets left.

Asked by Mr Butcher whether his wife contributed anything towards the family expenses, he replied: "Nothing at all. She only paid interior decorations' bills for our house, Riverhall."

In an emotional outburst, Captain Dennis denied that he had ever asked his wife for money if he was hard up. "I told her 'I would rather have 55 a week and be your gardener, provided you gave me bread and cheese' by Mr Butcher if he knew anything about cheque stubs torn out of his wife's cheque books, Captain Dennis replied. "There was never anything to hide. I left the cheque books intact on her side of the desk, longing for her to come back. Why didn't I put them on the bonfire? That's where she

Subsidies on food and fares in Irish Budget

From Christopher Walker

In a determined attempt to counter inflation and heavy unemployment, the Government of the Irish Republic yesterday introduced a wide-ranging package of emergency economic measures.

Announcing details to a packed Dail, Mr Ryan, Minister for Finance, said that the package was intended to deal with the worst economic situation the country had faced in its 54 years of independence. It was the second in three years of Budget within six months.

In order to reduce the rapid rise in the consumer price index the government is to introduce a wide range of subsidies on basic foodstuffs, including milk

and bread, and also on consumer fares. The price of gas will be reduced by 12½ per cent and value-added tax will be removed from electricity, domestic fuels, clothing and footwear.

Mr Ryan estimated that those measures could cut the price index by 4 per cent.

In return for those reductions in the cost of living, the government is demanding wage restraint from all sections of industry.

Mr Ryan promised that in return for union restraint the government would make a corresponding cut in professional people's fees and dividends. He also imposed increases in income tax which are more severe for the better paid.

Special CID unit set up

From Our Correspondent

A special centralized CID unit is being set up in Northern Ireland to track down those responsible for sectarian assassinations. The unit, to be known as A Squad, will be additional to the 250-strong special patrol group and it is expected it will comprise about 36 detectives.

Sir James Flanagan, the Chief Constable, announcing the formation of the squad

yesterday, said that it would be a strong mobile coordinating detective force backed up by the full resources of the special patrol group. It would be able to respond quickly and effectively to situations anywhere in Northern Ireland.

Party man released: Mr Seamus Costello, chairman of the Irish Republican Socialist Party, was released from custody by the police in Dublin yesterday after having been in detention for 47 hours.

Man cleared in transferred rape case trial

A man, accused of rape, whose case was transferred from Judge Christmas Humphreys to another judge was cleared at the Central Criminal Court yesterday. George Mairs, aged 49, a metal dealer, had denied raping an air hostess.

Summing up, Judge Marnan, QC, told the jury: "There is a danger of convicting a man of rape on the evidence of the complainant alone."

The case was transferred from Judge Humphreys to Judge Marnan on Monday, Judge Humphreys had three days previously given a self-confessed double-rapist a suspended sentence.

Mr Mairs told the jury, including six women, that he was out of London last year when a former business associate, Frederick Brown, aged 44, a mortgage broker, of Upper Halliford Road, Shepperton, was acquitted of raping the same complainant during the same incident. But on his return he was arrested and charged.

Government attacked over delay in law reforms

By Our Legal Correspondent

It was disturbing that there were so many reports containing proposals for law reform, about which the Government had not yet made up its mind.

Justice, the all party group of lawyers, says in its annual report, published today.

In his introduction, Lord Gardiner, Justice's chairman, and a former Lord Chancellor, lists nine reports by committees set up by the Government, as well as several reports by Justice, on which the Government had taken no steps, even years after publication.

The Younger committee on privacy, published in July, 1972,

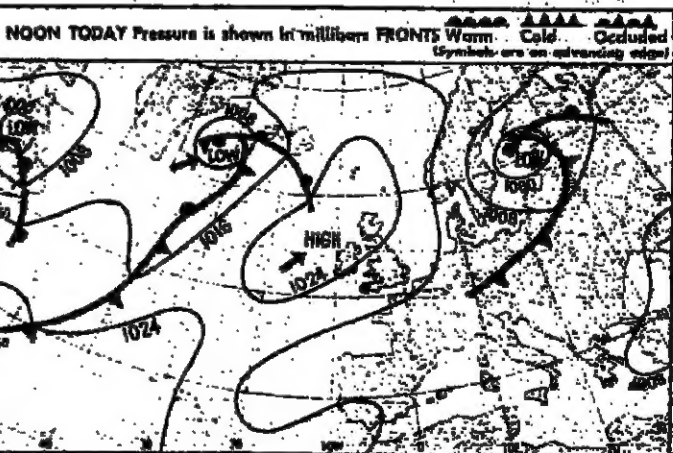
was one example, he said, although Conservative and Labour ministers had promised action "soon".

The report mentions a growing number of complaints from relatives and solicitors of suspects taken into custody and held incommunicado for three or four days, or even longer. "We regard this as an abuse of police power and contrary to the spirit of the Judges' Rules," it says.

Justice is setting up a committee to look at "fresh and unexploited look at the whole problem of criminal appeals and the lack of adequate post-appeal remedies."

Justice's eighteenth annual report, (2 Clement's Inn, Strand, London; WC2).

Weather forecast and recordings



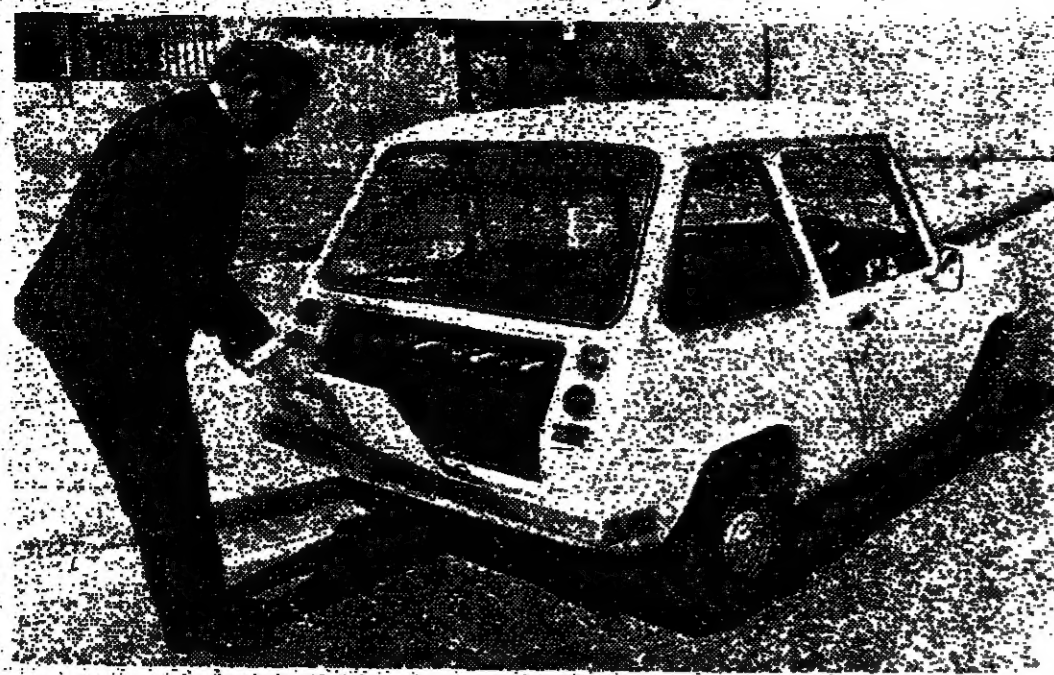
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HOME NEWS

British electric car to have evaluation tests first model goes on sale for £2,808

Waymark
ing Correspondent
Electricity Council is to
out a detailed evaluation
first British electric car
regular production, the
d 8000. The car, a small
car, is designed mainly for
city use and is available
at £2,808.
Each of 16 cars is being
sent to the Electricity
Council which will check
as operating costs, main-
tenance requirements and
life over a period of two
years.
The results will have
significance in the light
of a recent statement by
the Minister of Transport
that the key to future
transport
is not saving oil, the
car is almost silent,
pollution and is said to
consume much lower fuel costs
than a petrol-engined vehicle.
The car is eight in-
ches shorter than the Mini and
turning circle of only 25
feet. It is also an answer
to the congestion
as a light, rust-free alu-
minium body and is powered
by lead-acid batteries giving
a range of up to 55 miles
at 40 mph. The car is re-
charged overnight, plugging
into an ordinary
socket.
The limits on the range
of the car are im-
posed by the present state
of technology. The Elec-
tricity Council is engaged on
a project with Chloride
Power, the battery firm,
to develop sulphur batteries,
which are less heavy and bulky
than lead-acid type.
The private motorist, the



The Enfield 8000, on sale at £2,808.

Enfield car is very expensive
at present, but the manu-
facturers are confident that the
price can become more com-
petitive as output increases.
There is a van at £2,214 and a
four-seater soft-topped runabout
at £2,106.
The car is made by Enfield
Automotive, a British company
owned by Mr John Gouldsmith,
a Greek shipowner. Research
and marketing are based on
Coles, Isle of Wight, and
assembly, using British com-

ponents and materials, is car-
ried out on the Greek island of
Syros. Output is about a dozen
vehicles a month.
During a short test drive in
central London this week, I
was able to confirm the car's
almost complete silence apart
from a gentle hum and a click-
ing from the solenoids. With
no clutch, the Enfield is easy
and relaxing to drive, and its
size makes it perfectly suited
to heavy traffic.
Acceleration is more than

adequate over the first few
hundred yards, though it tails
off after about 30 mph and
there is nothing in reserve for
quick overtaking. With the
motor mounted in the middle,
under the seats, and the bat-
tery weight distributed evenly
back and front, the car is very
stable and handles well. The
ride felt hard on rough sur-
faces because of the stiff sus-
pension springs needed to cope
with the weight of the bat-
teries.

Bel award Lady Falkender reed

Falkender, political and
secretary to Mr
is to receive the Libel
award over a newspaper
connecting her with the
of his signature when
Leader of the Opposi-
tion.
The report appeared in the
Standard, London, in
last year during publicity
to a sale of a slag heap in
Lady Falkender's family
interest, Mr Edward
her counsel, said in
Court yesterday.
The headline, read in
connection with the report, he
said, suggested that Lady
Falkender (then Mrs Mar-
cia) was in some way con-
nected with the forgery of Mr
Falkender's signature and that
she had used his name and her
as his personal secre-
tary was not the slightest
for any such suggestion,
he said.
The newspaper's publishers
agreed to withdraw and
pay £10,000 to the Libel and
Falkender appropriate
costs and her counsel
other libel action over
the brought by Mr Anthony
a consultant geologist.
Lady Falkender's brother,
Richard Rampton, repre-
sented Mr Field, said he was
a close friend of Mr Field
one time supervised the
ing of his office at the
of Commons.
The article, referring to a
in another newspaper,
understood to suggest that
told had either forged Mr
Falkender's signature or had
been to it.
Rampton said: "The
ing Standard has always
d that its article could
had that meaning and that
d any intention of making
such suggestion. The
not, of course, have been
lightest basis for any such
action and the defendants
agreed to make the
lou clear in open court,
dingley join in making this
statement."
Field brought the action
ear his reputation and was
ent to let the matter rest
at that time.
Justice Griffiths gave
a for both records to be
drawn.

Homes policy above politics 'vital'

From Christopher Warman
Local Government
Correspondent
Brighton
A housing policy above politics
and "continuous, coherent
and consistent" was vital, Lord
Goodman, chairman of the
Housing Corporation, said yes-
terday.
He told the annual meeting of
the Association of District
Councils that any society or
government ought to recognize
that "any continuation of a
stop-go policy in relation to
housing is a piece of political
and administrative lunacy. If
there is one essential social
need that should proceed at full
speed in this economic climate,
it is housing."
Lord Goodman pointed to the
crucial need to provide a
variety of housing. Most
people wanted to own their own
homes but in the prevailing
conditions many could not.
"We do not want a situation

where people are driven to the
extremities of financial hard-
ship because they believe that
buying a house is a vital finan-
cial safeguard in the society in
which we live."
Many young people suffered
from neurosis as a result of
inability to obtain their own
homes. He added:
"We cannot impose on people the
need to take out mortgages that
cannot afford and which are a ball
and chain for the rest of their
lives. The kind of economic burden
where they have to make a choice
between owning a house or having
a child. Nothing could be more
barbaric in a free society than
forcing young people with that
kind of choice."
He assured the somewhat
sceptical delegates that local
authorities remained the prin-
cipal source for providing hous-
ing, and that the Housing Cor-
poration with its satellite hous-
ing associations had no inter-
ference of interfering with their
power. The corporation was

there to help to provide a
second stream of housing.
Lord Goodman took issue
with remarks on Wednesday by
Mr Crosland, Secretary of State
for the Environment, that cer-
tain sections of the press were
waging what amounted almost
to a vendetta against local
government. "Newspapers do
not as a whole make a set
against anyone. Newspapers re-
port what other people say," he
stated, a remark greeted with
loudly expressed disbelief.
Dr Wilfred Burns, chief planner
at the Department of the
Environment, told the confer-
ence that the development con-
trol machinery in the planning
process was in many respects
"creaking". While acknowl-
edging that cooperation be-
tween counties and districts was
at a high level in some areas,
he said that was not the uni-
versal position and he called
for more cooperation between
the two tiers.

Literacy expert tells of child who would not speak to grown-ups

The case of a girl aged five
who did not speak a word to
adults during her first three
months at school, was told yes-
terday by Dame Muriel Stewart,
vice-chairman of the Bullock
inquiry into literacy. Dame
Muriel, an expert on reading
and a former chairman of the
Schools Council, told the Asso-
ciation of Education Commit-
tees conference at Eastbourne:
She had been brought up in a
small flat and her mother, a
housewife, did not learn to
read and she had not learnt to
speak.

with adults. If the mother had
known how to talk to the child,
how to understand its language
and read stories to her, the situa-
tion might never have happened.
Dame Muriel feared there
might be many similar cases
and the problem was not related
just to working-class parents.
There were cases of middle-
class couples whose children,
left in the care of an au pair
girl, had grown up learning her
language rather than their own.
Children at risk came from
homes where there was little
conversation. The literacy gap

between them and children
from homes where reading was
encouraged began to develop
about the age of two and a half,
she said.
Severe problems: Families with
young children living in tall
blocks of flats experience severe
problems according to a paper
encouraged by the Slough
Reporter writes. Children in
tall blocks have less contact
with other children and there
is some evidence to suggest that
they are more frequently ill,
the report says.
The Social Effects of Living off
the Ground (Department of the
Environment, free).

Tragedy of children killed by parents

By Our Social Services
Correspondent
Twelve handicapped children
are killed by their parents every
year because the burden of
caring for them becomes intoler-
able, Mr George Lee, secretary
general of the National Society
for Mentally Handicapped
Children, said yesterday. Such
tragedies could be averted if
the parents were given more
support, Mr Lee added:
"I am not saying these lives would
be saved, because nobody can
say that. But if the parents had
the benefit of clearly available
counselling and guidance the sheer
intolerability of the burden of
caring for their children could
have been lightened to the extent
that they would have taken another
course of action."
Mr Lee was speaking at a
press conference in London to
launch a book which outlines
the need for a new coordinated
service to help parents of handi-
capped children of all ages.
The service outlined in the
book would ensure that one
person was responsible for co-
ordinating practical help and
support for parents from the
moment their child was born
diagnosed as handicapped.
Where congenital abnormality
was recognized at birth, a mem-
ber of the hospital staff, pre-
ferably the paediatrician, should
take the leading role.
All the professions associated
with the care of mother and
child should be involved in sup-
porting the family, with a health
visitor giving practical help on
a long-term basis. The health
visitor should have special
training in the needs of handi-
capped children and their
families.
Dr Guy Wigley, medical
adviser to the Inner London
Education Authority and co-
author of the book, said yester-
day that the book should be re-
specially trained health visitors
in every area of 200,000 people,
the average size of health dis-
tricts. The whole service could
be provided nationally at no
extra cost, because what would
be involved would be a reorgani-
zation of existing resources.
Dr Wigley added that the
book had been welcomed at the
Department of Health and Social
Services, which had commented
helpfully during its production.
The book was being sent to
the health authorities, the com-
munity health council, and
director of social services in
the hope that they would ac-
quiesce to provide coordinated
services.
The book, from the Start, edited by
Bernie Spain and Guy Wigley
(National Society for Mentally
Handicapped Children, 17 Pen-
sance Square, London W2 4EP,
£3.25).

Many council tenants suffer in grim conditions, Shelter says

By John Young
Planning Reporter
A grim picture of life on many
older council housing estates,
particularly those with a high
proportion of problem fam-
ilies, is presented by Shelter in
a report published today.
It flatly contradicts the
charges by Mr Crosland, Sec-
retary of State for the Environ-
ment and Mr Fraser, Minister
for Housing and Construction,
that councils are spending too
much on their own estates in-
stead of devoting scarce funds
to rehabilitating run-down prop-
erty acquired from private
landlords. It says:
"We reject completely the view
that the improvement of municipal
housing should be done at the
expense of improvements needed
on the council estates. We believe
that both are necessary, and that
the Government is storing up
trouble for itself in the future in
denying older council estates the
improvements that many of them
desperately need."
It strongly endorses the idea
that tenants should be given a
greater say in the management
of their estates through coopera-
tives. Mr Crosland and Mr
Fraser are ardent advocates of
cooperative schemes.
The report, by Petra Griffiths,
of Shelter's research depart-
ment, observes that because of
the decline in the private rented
sector Britain is moving towards
a situation in which roughly
half the population will be
housed by councils.
"It is often assumed that a
council tenancy is always a good
deal", it states. Yet council
tenants have fewer rights than
other householders, no security
of tenure, often no choice of
where they are rehoused and
little chance to move to another
house unless they can arrange
an exchange. They frequently
suffer from inadequate repairs,
lights, usually have no say in
the external decoration of their
houses, and have to obtain per-

mission for any internal altera-
tion.
The report is based on a
close study of conditions on
several estates, notably in
Bradford, Leicester and Bris-
tol. It criticizes the high-
handed attitudes of many
council officials, and the terms
of agreements that place obliga-
tions on tenants without ensur-
ing that the councils keep their
side of the bargain.
Council "ghettos", it con-
cludes, are formed by the fact
that, for one reason or another,
the most deprived tenants find
themselves herded together in
the worst housing.
At the bottom end of the scale
are people who fail to earn a
regular income, through lack of
local employment opportunities or
through bad physical or mental
health. If they fail to make
regular rent payments, they are
not considered worthy of a decent
house and are relegated to the
worst housing available.
The report urges that council
tenants should be given the
same security of tenure as
private tenants. In some cities,
such as Sheffield, it points out,
councils are responsible for a
large proportion of their own
homelessness difficulties.
Homes Fit for Heroes. (Shelter,
85 Strand, London, WC2, 7SP.)

Scottish housing estates 'neglected, overcrowded'

From Ronald Faux
Edinburgh
Many prewar housing estates
in Scotland are neglected,
overcrowded, autocritically
managed and a dumping ground
for the most vulnerable fam-
lies, according to a report pub-
lished today by Shelter in
Scotland.
The Department of the En-
vironment's only indicators
drawn from the 1971 census
showed that of the worst 1 per
cent areas of urban deprivation
in Britain 97.5 per cent were in
Scotland, the report says.
In many parts of the country
there is more overcrowding,
council estates on the periphery of
towns than in the older tenement
areas of the city. For example,
Craigmarloch is now the most over-
crowded area of Edinburgh. It is
undoubtedly true that much over-
crowding goes unrecorded, since
many people do not confide in
the accuracy of the census and fear
eviction if their true circumstances
were to become known to the
council.
Many more Scots lived on
council estates than English (34
per cent against 8 per cent),
which gave Scottish councils a
higher proportion of local hous-
ing stock to administer. But
standards of housing manage-
ment were lower than elsewhere
instead of higher.
Tenants complained of in-
accessible council officers, lack
of consultation, delays in carry-
ing out essential repairs, inade-
quate maintenance of open
spaces, poor ancillary services,
and the concentration of tenants
with the most social difficulties
in the poorest housing stock.
Mr Peter Gibson, Scottish
director of Shelter, com-
mented:
"The picture is very different from
the one sometimes portrayed of
overprivileged council tenants.
More resources must be com-
mitted to the older estates and thus
to the proper amenities. Proposed
cuts in this field would be false
economy and would only ensure a
more rapid deterioration of our
housing stock."
Mr Stanley Thompson, assis-
tant director of housing in
Edinburgh, said the difficulties
on council estates in the city
were not as critical as Shelter
suggested.

Plan to help one-parent families faulted

By Our Social Services
Correspondent
The sustained and growing
pressure for a new benefit
for one-parent families might
damage the long-term interests
of such families by emphasizing
their "separateness", Professor
Peter Townsend, Professor of
Sociology at Essex University,
said yesterday. They would be
helped more by a new system
of benefits that helped all fam-
ilies.
The basic fault with most
proposals for helping one-
parent families is that they are
not and will be a single
benefit, Professor Townsend
suggests in an article in
Poverty, journal of the Child

Poverty Action Group. He pro-
poses that any new benefit
should meet three different
needs.
Firstly, there should be a
maintenance allowance for all
children which would be met
by the Government's child
benefits scheme. But Professor
Townsend argues, the allow-
ance should be raised from the
£1.50 a week proposed in the Child
Benefit Bill to age-related
allowances ranging from 61 per
cent to 11 per cent of average
earnings.
Secondly, there should be an
allowance for the care of the
children. People who stay at
home to look after children are

unpaid, yet husbands receive a
tax allowance irrespective of
whether their wives have
children or other dependants
to care for. The husband's tax
allowance should be withdrawn
and replaced with a home re-
sponsibility allowance.
The third element should be
an allowance for the upkeep of
the family home, set at 10 per
cent of average earnings, and
paid to wives or lone parents
who are not in paid jobs. Pro-
fessor Townsend suggests that
for each part of such a scheme,
a case could be made out for
preferential treatment for one-
parent families. But he argues
that the benefits should help
other families in need and
women generally.

Walkers will be charged

From Our Correspondent
Llandudno
Walkers and railway passen-
gers on Snowdon are to be
charged "for the use of the
mountain", Snowdonia National
Park committee decided yester-
day.
A subcommittee made the
proposal after considering a
report recently presented to the
Countrywide Commission by
consultants, on the danger of
Snowdon's losing its character
because of erosion and dis-
figurement caused by the
210,000 visitors each year.
Mr Hywel Roberts, the
national park officer, said:
"We do not visualize toll gates
or uniformed attendants charg-

ing people. We shall have to
work out the details." Possible
ways included payment for car
parking and pamphlets and
levies on users of the mountain
railway.
Comments about young people:
Accidents to young people in
the national parks are a matter
of grave concern, the Coun-
tryside Commission states in its
annual report, published yester-
day (our Planning Reporter
writes).
"These accidents often occur
when groups are inadequately
led and ill equipped to face the
dangers that can arise.
Seventh report of the Countryside
Commission 1973-74, Stationery
Office, £1.55.

Nursery groups survey

By Our Social Services
Correspondent
A two-part survey of the
needs of pre-school children in
Britain is to be conducted by
the Child Health Research Unit
of Bristol University. The sur-
vey will study in detail the work
of all 25,000 nurseries and play-
groups in Britain and investi-
gate the development of 16,000
children born in a single week
in 1970.
Survey questionnaires have
already been sent to each
nursery school, nursery class,
playgroup, day nursery, crèche
and other institutions where
children are in day-care. That
part of the survey is expected
to produce a complete picture

of staffing, hours of opening
and the education and play
facilities available.
Professor Neville Butler, who
is directing the programme,
said yesterday: "Many parents
are asking for an expansion of
pre-school facilities for their
children, and against a back-
ground of continuing financial
shortage there would seem to be
an urgent need to gather facts
of the family and the development
of pre-school children. It will
study the effect of factors such
as television viewing habits,
housing, and illness in the
family on the development of
children."

'Viscount' pose by church thief

Sean Michael O'Flaherty,
aged 34, of Segorff Lodge,
Barnes High Street, London,
nursed the country for more
than three years as a self-
styled viscount stealing relics
and antiques from parish
churches. At Lincoln Crown
Court yesterday he was jailed
for 18 months.
He pleaded guilty to stealing
a sixteenth-century helmet
from the church at Hamerton,
near Lincoln, and pewter plate
from the church at Heyham,
Norfolk. He asked for 24 simi-
lar cases to be considered. It
was said that the total involved
was £2,077.



Mail carrier: Julia Perkins, aged 28, postwoman of St Martin's, in the Isles of Scilly, wading ashore with the mail brought by launch from St Mary's and transferred to rowing boat.

What to avoid in the high price maze

Careful buyers of fresh food
must thread their way this
weekend through a maze of
high prices to find seasonal
bargains. They should avoid
sausages, chops, carrots and straw-
berries, and concentrate on
fresh crab, home-killed lamb,
broccoli, cauliflower, and
gooseberries or rhubarb.
Rump steak may be more than
£1.10 a pound, and good loin
chops of pork cost 72p or more.
Boned hickory begins to appear
at 42p and belly of pork 36p, and
there are best suited for heavy
filling winter dishes. English
lamb chops still cost more than
70p a pound, but half-shoulders
have fallen to 40p and whole legs
start at 66p. There are also some
veal scallops at £1.50 to £1.80 a
pound.
There are far more cauliflowers
on sale now than last weekend,
and the price has dropped by
about 4p to 12p to 15p each,
depending on size. Broad beans
from the home crop are still
small, but at 10p to 15p a pound
they are worth buying if numerous
in the pods. If very young they
can be eaten in the pods. There
are also some home-grown peas,

but they are very dear, at about
22p a pound.
Strawberry prices are falling
slowly, but they still cost between
50p and 80p a pound, and cherries
start at 40p a pound. Rhubarb
remains low at 9p, and there are
plenty of English gooseberries at
about 18p a pound and a few
French ones at 24p. The home
crop has a short season and
should be enjoyed as soon as it
appears.
The quality of the peaches
arriving from Spain and Italy
continues to improve. They cost
between 6p and 12p. There are
a few Spanish plums from 30p
a pound and plenty of reasonably
priced citrus fruit. Apples and
pears are very dear.
New potatoes are worth buying
at 10p to 14p a pound, but some
salad vegetables remain very
expensive. Tomatoes start at 20p
a pound, so some supermarkets
have started selling little plastic
bags of three for 15p. Spring
onions are more than 15p a bunch
and most lettuces cost more than
13p, with the cos and Webb's
varieties starting at 20p. Cucum-
bers are still quite cheap, from
15p each or 8p for a half, and
mushrooms may be as low as 5p a
quarter.
The 20p pound of carrots,
which seems to be gaining an
assured place in the folklore of
inflation, remains this week since
the new home crop is still in the
ground. All our commercially
marketed carrots are now coming
from France, Italy and Cyprus,
and cost from 20p to 25p a pound.
Eggs cheaper: Goldenlay, Britain's
biggest egg marketing company,
announced yesterday that the
wholesale price of a dozen large
eggs will fall by 4p, and all other
grades by 3p from next Monday
(the Press Association reports).
Housewives will pay about 35 per
cent less for a dozen standard eggs
than they did last November. Mr
Frank Powell, the company's mar-
keting director, said the cuts were
needed to discourage the dumping
of cheap imported eggs and
because of a fall in demand. But
prices would inevitably rise steeply
later.

Food prices Hugh Clayton

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later.

Moderate students to fight radical NUS policies

By David Walker
of The Times Higher Education
Supplement
A group of moderate students
led by a member of the Liberal
Party has been formed to
reverse the left-wing policies
adopted recently by what the
group calls the undemocratic
National Union of Students.
Members of the group, the
Students for Representative
Policies, yesterday announced
the start of a campaign to
secure the election of student
officials and conference dele-
gates by secret ballot instead of
by what it calls tiny minorities
at open meetings.
The group, which includes
members of all three political
parties, aims "to speak out
against Marxists in university
and college student unions and
to stir up the majority of
students excluded by gerry-
mandering and the extreme
policies of the cliques which
run the NUS".
Mr Paul Booth, a Liberal and
president of the group, of
Conventry College, Cardis-
sford, said the organization was
financed by private contribu-
tions from more than five
hundred members in at least
twenty institutions.
He said numbers would grow
among the non-aligned students
incensed by the dangerous
stand taken by the NUS on
such matters as denying a
platform to race speakers or
supporting the IRA.
Mr Christopher Cullen, of
the London School of Oriental
and African Studies, introduced
a statement by the group on
educational policy which sup-
ported the retention of private
fee-paying secondary schools
and argued for the need for
discipline and special treatment
for the disruptive minority in
schools.

High Court will rule on Stork advertisements

The High Court is to decide
whether or not the "Can you tell
the difference?" television adver-
tisements for Stork margarine
are legal.
The Butter Information
Council says that under the
Margarine Regulations adver-
tisements for margarine cannot
refer to butter. But Van Den
Berghs and Jurgens, which
makes Stork, is seeking a High
Court declaration that its
advertisements are legal.
It has started proceedings
against the International
Broadcasting Authority, which
banned the advertisements,
pending a legal decision after
Butter Information Council
objections.
Mr Justice Oliver gave leave
yesterday for the council to be
joined as a defendant in the
forthcoming action, in which
Van Den Berghs seek clearance
for three advertisements.

Ir Jenkins rejects pleas for murder case prisoners

Ir Jenkins, the Home Sec-
retary, has decided that there
no grounds to justify him
releasing further the case of
men, both serving life sen-
tences, who deny killing a sub-
master, it was disclosed
yesterday.
The case concerns Mr
Zahel McMahon, aged 30, a
user of New North Road,
Barnet, and Mr David
Spicer, aged 32, a window
fitter, of Woodhouse Road,
Barnet, both London. They
were convicted with another
man at the Central Criminal
Court five years ago of the
murder of a sub-postmaster
at a house in Woodhouse
Road, Barnet, in September, 1969.
Appeals, ordered by the
Secretary of State, of the
two men, were dismissed
by the Court of Appeal last
year. The two then
plied for leave to appeal to
a House of Lords, but their
applications were refused.
Mr Michael Spicer, Conser-
vative MP for Worcester, said
yesterday that he had been
told of Mr McMahon's
decision by Mr Lyons,
Minister of State at the Home
Office.
Mr Spicer said he was very
surprised by the decision and

had asked if Mr McMahon
might reapply for permission
to appeal to the House of
Lords. There are two important
issues at stake, he said.
"First, the fact that two men
will have to spend at least
twenty years in prison for a
crime in which it is doubtful
whether they were involved."
"Secondly, the important
question of the credibility of
British justice. As a firm
believer in the rule of law, I
shall continue to press the
Home Secretary to look more
closely at McMahon's case."
Mr McMahon is serving his
sentence at Long Lartin
prison, near Evesham, Wor-
cestershire. Mr Spicer's case has
been taken up by Mr Bryan
Mages, Labour MP for Wal-
tham Forest, Leyton.
At the trial the main prose-
cution witness was a man who
had been charged in connection
with the murder and turned
Queen's evidence. The third
man convicted of the murder
had his conviction quashed in
1973. Evidence that he had
been in London on the day of
the murder was accepted.
The quashing of that con-
viction showed the unreliability of
evidence given by the main
witness, Mr Spicer said yester-
day.

MPs' debate may be broadcast live

By a Staff Reporter
The BBC hopes to broadcast
a live debate from the House of
Commons before the four-week
radio experiment finishes at the
end of next week.
So far there have been only
three transmissions on
Radio 4 on the first day. But
many recordings have been used
on radio and on television, and
the BBC's local radio stations
have received more than 250
special reports.
Mr Peter Hargreaves, Scott-
ish assistant to the Director-
General of the BBC, said yester-
day that a full report on the
experiment would be prepared,
he hoped by the end of July.

COUNTRY LIFE

ROYAL SHOW AND AGRICULTURE NUMBER

COUNTRY LIFE Royal Show Number

A New Farming Strategy
Charles Jarvis explains the policy behind
the setting up of the newly formed British
Agricultural Council.

The Royal Show and its Rivals
Frank Sykes compares the growing scope of the
Royal Show and that of the big agricultural
shows of France, Germany and Italy.

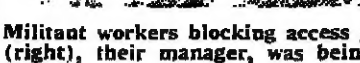
Pioneer of British Livestock
Helen Harris recalls the life of Robert Bakewell
(1725-1795) and his work on improving the
breeding of livestock.

New Machinery at The Royal
Kevin Grundy describes some important advances in research
and development.

Drama by The Avon
Robert Speaight looks back at 100 years of Shakespeare
performances at Stratford-upon-Avon.

Out this week 35p

WEST EUROPE



Militant workers blocking access
(right), their manager, was being

Lisbon, June 26.—The foreign managers of a Belgian-owned fertilizer plant in Serubal, Portugal, were freed today by rebellious workers, who had been on strike since Monday night for planning to send part of the factory's profits to the managers.

M. Marc Velke, the Belgian head of the SAPEC plant, and his French deputy, M. Pierre Verluca, won their release after intervention by the Portuguese Prime Minister's office, the Belgian and French and the Belgian and French Embassies.

The SAPEC workers' committee said the profits were to be transferred to Belgium.

Representatives from the office of General Spínola, the Prime Minister, arrived from the Ministry of Labor and the left-wing Copo workers' union to discuss the SAPEC workers and management last night. But no details were available on the meeting.

REUTERS

At the press conference, Herr Schmidt expressed his satisfaction with the Berlin economy, satisfaction which was shared by the others taking part in conference.

simplicity in the weekend kidnapping of Hubert Bonner, aged six, and his sister of 10, at Knokke-le-Zoute, judicial sources said.

105-106

from Michael Binyon
March 26

The Portuguese revolution
ad to cut corners on its road
to socialism so that Portugal
could not be left 30 years
behind the rest of the world.

Admiral Rosa Caaubho, a
member of the Supreme Revo-

lutionary Council, said that
on two points, however, it
had chosen a pluralist way
to socialism, not allowing any
kind of dictatorship to be estab-
lished. Equally, freedom must
not be lost, and the revolution
the way to socialism, not block-
ing it.

Turning to the role of the
communists in the Government,
he said that the communists
were not to be the only ones
to share power. He said that
the communists were not to be
the only ones to share power.

Portugal's govern-
ment was not to be
his speech about
government was go-
ing the thousands
of Portuguese
back from Ango-
la.

He said the
would do what
the Government
wanted.

to settle things that they could not do outside world have in Angolan affairs its economic wealth bloodshed could be avoided.

dependence of Portugal, not
the formal independence
it had enjoyed for eight
centuries. To this extent, the
Portuguese Revolution was
a movement in the African
sphere Portugal had been dominated.
Now it had the right to be con-
sidered as something more than
a colonial dependency.

press laws, he said, should be revised and perhaps would have to be. The matter has been the subject of all proportion to the world. There are other newspapers in the world ward the same. **Republica.**

to London for talks

Our Special Correspondent

Bombay, June 26

Major Melo Antunes, the Portuguese Foreign Minister, is to leave for London tomorrow for talks with Mr Callaghan.

A \$25m (£10.9m) agreement with the United States for the construction of low-cost housing in four provincial cities. The deal is part of an American economic cooperation programme announced in

The warning is in the unofficial *V Osservatore delle* referred to an incident in the town of Strina, south of Rome, this month when Carabinieri arrested

economy


...entative plans discussed at first conference. Mass Decem... have taken concrete shape. Thirty-six West German... enterprises assigned an expert... investigate Berlin's economic

that "violators of cloister are punished by communication"; the *della Domenica* saw as "indicative of atmosphere and certain values".

It added: "No brazen and violent

ap charge

The three were identified as Ugo Benedetto, the owner of a bar in Ostend and the others Giuseppe and Mario era. They had been arrested night.



From Charles Hargrove
Paris, June 26

The two Scotland Yard detectives in charge of the search for Lord Lucan are convinced that he is still in France.

Det. Chief Supt Roy Ramsay, and his assistant, Det. Chief

man who had stayed at hotel on three occasions."

He also said that the borough police were continuing investigations in the hope of covering some of Lord Lucan's contacts in the town.

British police have asked

Madame Guilpain told the police she had not made Lucan fill in a registration card which is still compulsory for foreigners, because she thought

A British tourist claimed to have seen Lord Lucan on June 1 and 2 at an hotel in the town. But they were reported to be in Caen instead, this afternoon.

The Cherbourg police picked up the trace of Lord Lucan after an international search order sent out by Scotland Yard was followed there. They

After his last stay, Lord Lucan left without paying his bill of about £9. For that reason the French police are convinced he will not return to Cherbourg. The two Scotland Yard detec-

Police Commissioner Chailant, head of the Cherbourg CID, who was at the press conference, added that the owner of the Grand Hotel, Mme Guillaud, had recognized Lord Lucan from rather poor photographs.

accent, he added: "That is not sense. He spoke the language very poorly."

"I doubt whether he could manage half a dozen words in French. I know that personally because I was with him on occasions when we went to France. They must have got the wrong

From David Cress
Luxembourg, June 26

Mr. Wedgwood Benn, the new Secretary of State for Energy, today brought his personal campaign for more open government to Luxembourg, where he was attending his first EEC ministerial meeting.

In public, even though the might have been some embarrassment for some delegation at times.

Asked about his "futur" approach to EEC meetings, one of the Labour Party staunchest opponents of Benn's membership, he said

role would be "to say what I think and to argue what I think to be right".

He said he saw the recent referendum vote as representing "a desire on the British people's part that attitudes of ministers attending meetings of this kind should be constructive and, at the same time, that ministers

Spain dismisses striking doctors

A group of Labour backbenchers wrote yesterday to Herr Karl-Günther von Hase, the West German Ambassador expressing concern over the proposed contract by which West Germany would provide nuclear plant and technology to Brazil.

From Our Correspondent
Rome, June 26

Britain today told the World Food Council that it will contribute another £15m worth of fertilizers to help to grow food for the world's starving millions.

It demanded on world supplies of food grains "to demonstrate our political determination to make sacrifices to help the poor and those most threatened by the spectre of hunger."

A spokesman for the "Food

The World Development Movement, Oxfam, Christian Aid, the churches and other organizations, expressed "considerable satisfaction" at Mr Grant's announcement, and added that the plan to reduce British grain consumption was a "positive step within the long-term con-

...dependence on a certain extent on the situation in the EC plants at Wilson on Tees-side and at Billingham; at present affected by strikes, he added.

Britain was a net importer of the basic materials for fertilizer and such aid was therefore a heavy burden on its balance of

thought this demonstrated "sensitivity" to the problem. "We cannot get a multilateral approach, which we favour, we shall see what we can do on a bilateral basis."

The council, which was to have put into action the global food planning of last November

her's food conference. found
itself in danger of rising to-
morrow with little more to show
for its week's inaugural session
than millions of words.

...and the fact that the *Journal* is a journal of the American Psychological Association, which is a professional organization of psychologists, is a factor in the decision to publish the article.

SPORT

Tennis

Suddenly a forgotten man jogs the memory

By Rex Bellamy
Tennis Correspondent

Fantastic. A bulky performer, with six pounds of muscle and a little more match practice, he would be as good as he was in 1969. He is practically there. The speaker was Headley Baxter, the subject Graham Stilwell, the scene Wimbledon. Stilwell had just reached the last 16 for the first time in his career after winning six successive matches, three in the qualifying competition and three in the championship. He is Britain's only survivor in the men's singles. The forgotten man of British tennis is suddenly jogging the memory.

Baxter was Britain's Davis Cup captain in 1969 (as he is now) when Stilwell had the best season of his career and became something of a national hero. But a World Championship Tennis tournament reduced Stilwell's importance, the relative severity of the WCT tour broke his confidence, and he sank into shadows from which it seemed he might never emerge. He had lost the

knack of winning. But the talent is still there and at 23 he should be on top of the hill, rather than over it. The men Stilwell has beaten at Wimbledon are Gerald Battrick, Grover Reid, and Paul Kronk (who beat the seeded John Alexander the previous day). These are not the most daunting names in world tennis. But the point is that Stilwell has beaten them, instead of merely playing well, getting close, and then losing, which has been the pattern of many of his matches in recent years. He has remembered what it feels like to reach match-point and win the next rally. The confidence is coming back.

Kronk, the Queenslander, is the kind of player who hits the ball as though he hates it, which can be demoralizing for his opponents when he is on target. He was somewhat erratic yesterday. Stilwell—his spirits raised by his grass court game sharpened by three earlier wins at Southampton and Wimbledon in turn—was seldom overpowered and always knew that he was "in with a chance" as he told us later. The

sets became progressively tougher: 6-4, 3-6, 6-3, 6-2. But in that final tie-break Stilwell lost only one point. It is something of a coincidence that Stilwell's next opponent will be Arthur Ashe. He served for the match before Ashe beat him 12-10 in the fifth set at Wimbledon in Stilwell's golden year of 1969. Ashe yesterday had an unexpectedly easy win over Brian Gottfried, with whom he had broken even in four previous matches. "It was an easy match," said Ashe. "I lost my serve only once. He just never got going. I know the feeling." Could it be that, because of his excessive zeal for the game, Gottfried has lost some of his mental freshness on the practice court? He doubts it. "Maybe I need more practice."

With Ashe and Gottfried at one end of the promenade and Martin Riesen beating Charles Pasarell at the other, it was as if four gunmen were having shoot-outs on the outskirts of town. All four Americans are the kind who believe in quick results and on fancy stuff. The same applies, of course, to the

champion, Jimmy Connors, who beat Mark Cox 6-4, 6-2, 6-2. Cox is baring the best year of his career. He is uncommonly fit and confident and is playing well. The trouble yesterday was that many of his most ferocious shots, services and forehands were returned with interest. Connors has no interest in logic. He refuses to recognize the need for defensive measures. When challenged by a shot most men would regard as a threat to the ball and if he can possibly reach it, he is as hard as he can. Equally, he enjoys showing us how well he can play the top-spin lob.

Yesterday Connors began well, breaking service with a blazing forehand down the line while he was fast disappearing towards the exit. After that good start he kept on improving. He was all bounce and bustle, all swaggering confidence. Just looking at him across the net must make his opponents feel a little older, a little more tired.

The most interesting news from the women's event was an aside by Billie Jean King. This is her last men's singles tournament. I am not playing Forest Hills and I am not playing Wimbledon next year. I have achieved pretty much everything I wanted in tennis. Five times champion, Mrs King yesterday beat Veronica Burton, Martina Navratilova dismissed Susan Mappin and Jacqueline

Fayter and Corinne Malesworth lost to less distinguished opponents. So much for the bad news. The good news is that Britain have eight players in the last 32. Virginia Wade, Susan Barker, Glynnis Coles, Lesley Charles, Lindsey Beaven (who beat the 1968 runner-up, Judy Dalton), Linda Mottram, Michele Tyler, and the unranked and semi-retired Winnie Woodbridge—who reached the last eight in 1971 and 1972 but has since put aside such ambitions. Or has she? Winning matches tends to whet the appetite for winning matches.

Miss Wade had no cause for concern in coasting through her match with Jiri Riedel, who is something of a new name in European tennis only because it is little more than a year since she moved from Brazil to Berlin. Miss Riedel reached the last four of the West German championship and obviously enjoyed her outing on court one yesterday. Miss Tyler, who is only 16, was understandably nervous and won only eight points in her first set with Cynthia Doerner. But the Kent girl settled down and in the second set three times held her service when losing it would have cost her the match. Then the won eight games out of nine. Tennis can be like that: cliff-hanging succeeded by the warmth of achievement while basking on some modest peak.

Yesterday's results on fourth day of Wimbledon

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J. Alexander (USA) beat G. Reid (Scotland) 6-4, 6-2, 6-2.

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TO BRITAIN.

How fair are fair rents?

Registered "fair" rents for private unfurnished tenancies have been going up by an average of 9 per cent a year, whereas the cost of living is rising at a rate of 28 per cent a year (based on the last six months' figures). By law, fair rents may normally be increased only once every three years. If the current rate of inflation continues, the real value of a fair rent may have been halved before any application for it to be increased may be made.

A total freeze on all rents was imposed in March, 1974, and lifted in March this year. But landlords' hopes of recovering immediately the loss in real income suffered during this time, when the cost of living rose 21 per cent, were crushed by the introduction of new phasing regulations for rent increases. These mean that the full allowable increase in fair rents will not be able to be collected for up to two years.

The private rented sector has been declining sharply. In 1914, 90 per cent of all homes were privately rented; in 1951, only 41 per cent (6.2 million homes); and in 1971 only 14 per cent (2.9 million homes). No more recent figures are available, but it is estimated that it is continuing to disappear fast.

Landlords point to three main causes for the continuing decline: Extension of security of tenure and the increasing difficulty of getting rid of unwanted or troublesome tenants; the almost constant "interference" by successive governments in landlord-tenant relations—there have been more than 30 Acts on the subject since the war; and, of increasing importance, the low level of "fair" rents, which are registered by Rent Officers for private rented properties with non-resident landlords.

The British Property Federation, representing about 50,000 landlords, from the seaside bed-and-breakfast landlady to the very big property owners, says the majority of its members are getting no more than 1 and 3 per cent return on their capital. A study carried out last year by Mr. Alex Henney, former housing coordinator for Raringey, bears this out. He found that the average fair rent in London in 1972 would have produced a net return of less than 3 per cent on the market value of the property.

Until relatively recently a deficiency in rental income could have been offset by substantial capital growth. But Department of the Environment survey of new mortgages with building societies shows that while average house prices in the country as a whole doubled between 1971 and 1973, they have risen by less than 2 per cent in the past year. In London they have actually fallen by 5 per cent.

The fair rents system, which is voluntary, was first introduced ten years ago. The DoE estimate that of all unfurnished tenancies with non-resident landlords, half now have fair rents registered, compared with only 14 per cent five years ago.

The major criticism of the system by landlords is that the rents are unfair to them. Freshwater, one of the largest private landlords with 16,000 rented residential units, mostly in London, says that the rents on their properties are reduced on average by about a quarter when they are first registered. Fair rents registered for their more expensive flats are sometimes only half the market rent they could get, they say.

Tenants do not wish to create ill-will

However, DoE figures for the latest year available, 1973, show that in England and Wales the overall average changes in rent on first registration was 4.40 per cent. This is well below the expected larger increases of rent for formerly rent-controlled properties.

In view of the widespread belief that

Rent Officers invariably reduce rents on first registration, these figures come as a surprise. One explanation is that landlords tend to refer to a "reduction" on the going market rent for the property, rather than on the actual previous rent obtained. Another reason may be found in the high proportion of applications for first registrations that are made by landlords. In 1973, 83 per cent of such applications came from landlords, of which 96 per cent resulted in rent increases. Only 10 per cent came from tenants, and of these as many as one third resulted in increases.

Many landlords find themselves bound by a contractual agreement to a fixed rent which they cannot legally increase until the contract expires, except by joint agreement with the tenant (who is unlikely to be overjoyed by the suggestion), or by applying for a fair rent to be registered. This will almost certainly be lower than the going market rent for similar property, but may nevertheless be higher than the contractual rent.

It has been suggested, only half-jokingly, that the remaining 50 per cent of tenancies with non-resident landlords for which fair rents have not been registered are precisely those whose rents would be decreased. It is certainly known that many tenants are reluctant to go to the Rent Officer, even though they believe their rent is too high, because they do not wish to create a feeling of ill-will between themselves and the landlord.

Both sides feel they've been unfairly treated

Other tenants do not apply because they are quite simply terrified at the prospect of having to go through complicated quasi-legal procedures. A few are still sufficiently ignorant of their rights to believe that an application for a fair rent will result in a notice to quit (as so often happens when tenants of residential landlords apply to the Rent Tribunal for a "reasonable" rent). Tenants of non-residential landlords, however, have complete security of tenure and may not be removed without a court order.

How are fair rents assessed? They are based on the fair rent already registered for comparable property in the area. But no fixed formula is used. Indeed the courts have stated clearly that the Rent Officer should not try to calculate rents with arithmetic precision; too many variables are involved.

Under the provisions of the 1965 and 1968 Rent Acts, Rent Officers are required to have regard to "all the circumstances (other than personal circumstances) and in particular to the age, character and locality of the dwelling house and to its state of repair". Any improvements carried out by the tenant, or any damage caused by him, should not be taken into account. Most important of all, Rent Officers are directed to regard supply and demand as equal.

Under the Housing Rents and Subsidies Act, which came into force in March, Rent Officers are also now required to disregard any improvements, or deterioration, in the amenities of the area since March, 1971, or from the date of the last rent registration. Exactly what constitutes an "amenity" is not defined.

It is the disregard of scarcity that is the chief reason why fair rents are so much lower than the market rent, especially during a time of acute housing shortage, as at present. It is also why the strange information exists that fair rents are usually lower than the previous "reasonable" rent registered by Rent Tribunals for furnished accommodation with non-resident landlords, which since the 1974 Rent Act have been transferred to the Rent Officer's sphere of jurisdiction. Unlike Rent Officers, they are not specifically directed to disregard scarcity.

It is too early yet to obtain official figures on how the new fair rents com-

pare with the previous reasonable rents for furnished accommodation. But the indications, based on figures from two London boroughs, are that these reasonable rents are often being reduced by as much as a third to a half.

The fair rents system as currently operated places enormous importance on the judgment of the individual Rent Officer. No minimum qualification is required to become a Rent Officer, though many do have previous experience in housing or property, and about a quarter are qualified surveyors.

Landlords complain that there is a lack of consistency in the assessments of different Rent Officers. There are sometimes significant variations in rents registered for virtually identical properties, even in adjoining areas, they say. Tenants complain that they do not understand the Rent Officer's reasons for arriving at a certain rent, which at times seems quite arbitrary. Both sides are often left with the feeling that they have not been treated fairly; both say they would prefer a fixed formula for rent assessments.

One check on the Rent Officer's judgment is through an appeal to a Rent Assessment Committee, which consists of three part-time members, usually a lawyer, a qualified surveyor, and a "lay" member. But these appeals almost always result in a recommendation of an increase in the fair rent, already assessed by the Rent Officer, with the result that tenants rarely bother to appeal.

Freshwater acknowledges that of the appeals they bring, "very few, perhaps 5 per cent" result in rent decreases. Most of the increases are no more than 7 to 10 per cent, but can be much bigger. Freshwater says this indicates how difficult it is for tenants to get their own way. The tenants say it confirms their belief that Rent Assessment Committees are biased in favour of the landlord.

The tenant is at a serious disadvantage regarding professional representation at Rent Assessment Committee hearings. Because the committee is not a court of law, no legal aid is available (though this is under review), and the tenant can rarely afford the solicitors, barristers, chartered surveyors, health inspectors, etc. with which the landlord may come armed, and furthermore which he can put down as a legitimate tax-deductible business expense.

In a survey carried out on the 2278 Rent Assessment Committee appeal hearings in the year ending September, 1970, it was found that 50 per cent of all landlords were represented by solicitors at the hearings, compared with only 10 per cent of tenants.

Once a rent has been registered, it is fixed at that level for a statutory minimum of three years, except in "unforeseen" or "exceptional" circumstances. Despite a recommendation by the Franks Committee in their 1971 report on the Rent Acts that "in times of inflation Rent Officers should take account of the likely increase in costs over the three years", this does not appear to be being done. Reregistration of fair rents in the third quarter of last year showed that the average fair rent in the previous fair rent, registered three years earlier, of 23 per cent in London (7 per cent a year), and 36 per cent in the rest of England and Wales (about 12 per cent a year).

Landlords complain that they cannot cover costs

Nor do the Government appear to wish Rent Officers to take account of inflation in their assessments. During the debate on the Housing Rent and Subsidies Bill last November, Mr. Anthony Crosland, Secretary of State for the Environment, sought to reassure landlords by saying that it would be "very seldom indeed that annual increases (in fair rents) approach the present rate of general inflation". He has recently indicated,

however, that council house rents will have to keep up with inflation.

The new phasing regulations, brought in by the rent freeze ended on March 11, have further diminished the landlord's income. A fair rent is now subdivided into a service element, covering such things as heat and light, and the basic rent. Under the Housing Rents and Subsidies Act increases in the service element may be passed straight on, in full, to the tenant. But increases in the basic rent of 40p-80p a week must be phased and may not be collected in full until next March, while increases of more than 80p must be phased over two years. (Rates are not included in fair rents and any increase may be passed straight on.)

Landlords are complaining louder than ever before, and perhaps with greater justification, that they cannot even cover their costs under the fair rents system. It is now Freshwater admit they are doing "as little as possible" in the way of repairs; they will mend a leaking roof, but they will not redecorate. Other landlords are not even carrying out their statutory obligations, as laid down in the 1961 Housing Act, to do essential repairs on the structure and exterior of the property and to keep the supply of water, gas and electricity in good working order.

The writing is clearly on the wall for the private landlord. Sir Eugene Melville, director general of the British Property Federation, says of his members: "There is no comfort you can give them. They are a dying race. They are usually a fairly resilient, optimistic lot, but they have been hard in the past. But now, if they could get out they would."

But how do they get out? The Government has made clear its desire to replace the private landlord by public ownership. But no money is available to carry out a "municipalisation" policy. Selling property with a sitting tenant on the open market is well nigh impossible at the moment. Even local authorities are showing a singular lack of interest in buying up tenanted property.

There is not enough public housing to go round at present. Why not let the private landlord survive, landlords ask, at least until municipalization can go full steam ahead?

But "survival" often means getting a rent which will give a good return on the current market value of the property, and not simply on the original investment capital. But why should a landlord expect this? When a man invests on the stock market, he does not expect to find shares which have both a large capital growth potential and a large annual dividend.

Property has enjoyed an enormous capital growth, and should not therefore be expected to provide a big dividend in the form of high rents as well. Some landlords still manage to find ways round the intention of the fair rent system. Even after a fair rent has been registered, the landlord will sometimes refer the property to a higher rent. This is not a criminal offence for a non-resident landlord, though it is for a resident landlord.

Many feel the system would be much fairer if there were a compulsory registration of rents for all private accommodation, before it was let. The idea of a fair rent being agreed in advance is incorporated into Sir Brandon Rhys Williams' private member's bill, which aims to bring into circulation the estimated 628,000 vacant properties in England and Wales. The Housing (Rent) Bill, which would create a new form of "short-term" tenancy, for a period of, say, five years, during which time the tenant would have absolute security of tenure. This type of tenancy would be permitted only where planning permission had been obtained in advance from the local authority and where a fair rent had been registered.

Mr. Crosland has said that the new phasing regulations for rents in the private sector are only an "interim measure". The Government had not yet made up its mind as to what to do in the long term. An advisory body was appointed by Mr. Crosland in April to review the whole field of housing finance, including the private rented sector. The DoE expect to have a report ready by next spring.

Dianna Geddes

The 'spectre of the priestess' looming over the Church

The author is chairman of Amnesty International and a member of the Church of England's General Synod. With the Sex Discrimination Bill now almost on the statute book, carefully exempting the churches from its provisions, the Church of England's parliament, its General Synod, next week faces the trauma of deciding whether to end two millennia of male domination by throwing the priesthood open to all members of the Church. Local synods have been discussing the issue for the past three years. One thing has emerged clearly from the voting: A clear majority of bishops, priests and lay people believe that there are no fundamental objections to the ordination of women. The General Synod is likely to confirm this, although a 'yes' vote in the House of Clergy is not a foregone conclusion. If the whole Synod does agree, in principle, the Church in England will have made a modest contribution to International Women's Year.

But there if the Synod's Standing Committee has its way, the matter will rest. No women will be ordained in the foreseeable future. God may not object, but for English churchmen the matter remains too contentious. The Synod will be asked to endorse a "no chance now" resolution on the grounds that immediate action would fail to receive "overwhelming support". The local voting figures, while open to a variety of interpretations, suggest that a significant minority would like the Church's priesthood to be about equally divided. Lay people and bishops, less threatened by change, show rather more enthusiasm.

The Standing Committee's recommendation amounts to saying that major reforms should be shelved until they cease to be controversial, a dubious and potentially paralysing position. It is assumed that peace and quiet in the Church are best safe-

guarded by upholding the conscience of a conservative minority against that of a liberal majority, which is equally dubious. To refuse to face tensions by shunning the issue of truth and justice is deeply disappointing.

The Church is called to be both a repository of eternal truth and a movement pointing mankind towards the Kingdom of God. Both continuity and change are essential to its nature. To shroud the static principle is therefore as wrong as to jump on every popular bandwagon. Neither conservatives nor reformers have a monopoly of truth. But clinging in order to live is of the Church's essence. Then the General Synod should not shrink from facing the pain and burden of this or any other contentious decision. Unspoken fears should be brought into the open for the Church to deal with as it must, not when matters with sexual overtones are at issue. The spectre of the priestess is a ghost that should be exorcised. It lurks in the subconscious and should be shown to be utterly irrelevant to Christian ministry.

To ordain women is no radical idea. In fact most radical Christians consider this whole debate to be largely irrelevant. Many challenge the very idea of ordination to a distinctive priesthood and urge the Church to take the biblical doctrine of the priesthood of all believers much more seriously, leaving no role for a priestly caste, male or female. But for better or worse, priests and bishops will be around for the foreseeable future. What is at issue, therefore, is a matter of basic justice. Perhaps it is taken the Women's Movement to make some Christians see this. Jesus made plain enough that the children of this world are often wiser than the children of light.

Were the Church of England now to put itself in the position of saying "yes" to women priests in principle and "no" in practice, its moral position would be seriously undermined. It would be putting on public record that prejudice remains too strong to enable it to act justly. It would be as though white

churches in South Africa or the southern States were to say: "Blacks may be ordained in principle but not in practice. Too many whites would take offence." Such a position is now unthinkable. No, apparently, so is this.

The integrity of Christians who object in principle is not at issue. Were women to be ordained, some of them might feel they must leave the Church of England. But this is not the issue. The issue for a Synod which for fear of conflict said to women who feel called to the priesthood: "We concede that your call may be genuine, but we dare not let you out your vocation. It would rock the boat too violently." For these women many of whom are fully trained and have waited patiently for a long time. International Women's Year might well leave only a very memory and a taste of grief.

What are people really afraid of? Not the ministry of women as such. It already exists. On male authority, women may already lead worship, preach, teach, baptise and bury. Liturgically, presiding at the Holy Communion is the important thing they cannot do and, according to some Catholic-minded objectors, should never do. But once the principle is conceded, that presents no problem either. To most who object in practice rather than principle what is really at issue is authority. Women serving under men are acceptable. Women serving as equal partners, in charge of a parish, a deanery or a diocese are not. A good many women as well as men want the Church to remain a stronghold of male power.

How would the ordination of women affect the prospects of Christian unity? Some opponents argue that Roman Catholic and Orthodox Christians would be seriously affronted. There are good arguments for and against this thesis. What is clear is that to refuse to ordain women would alienate the English Free Churches with whom there is a real prospect of unity in the foreseeable future. There is no way of pleasing everyone. Anglicans, straddling the Protestant-Catholic divide, cannot do

better than act on their convictions. Ecumenism at the expense of "doing the truth" as one sees it would, in any case, be a disservice to genuine unity in Christ.

It is that increasingly what Anglicans in other parts of the world and Canada have just decided to ordain women. New Zealand is on the brink. And, in the midst of lively controversy, so is America, where four impatient, ignored Church, an English "yes" in principle, "no" in practice, might well push some bishops here in the same direction. Only in Hongkong have three women been legally and validly ordained. One of them is English. When she visits her home, does the Church of England recognize her as a priest or not? I imagine that is a question not hard to answer.

Finally, back to Parliament. Clause 19 of the Bill intended to end many aspects of sex discrimination, especially in employment, totally exempt all religious bodies. It is good to see such respect for religious liberty. State pressure on the Swedish Lutheran Church has bedevilled the issue in that country. Legislators are right to go out of their way to respect religious principles. The present Bill goes even further. Even if no principle is at stake, the Church remains free to discriminate against women if it so desires without offending the "religious susceptibilities of any of its believers". Perhaps in safeguarding liberty, without at the same time licensing prejudice, it is too firm a line for the legislator. But no Church should take advantage of such licence and refuse, as an employer, to implement a principle of social justice unless some higher principle stands in the way. If not, whatever the law may say, I believe the Church of England should now proceed to remove the barriers to the ordination of women.

Paul Oestreicher

Crossman diaries judgment today

Attorney General v Times Newspapers Ltd
Before Mr Justice Ackner

Judgment is to be given in the morning on an application by the Attorney General to prevent *The Sunday Times* from publishing extracts from Richard Crossman's *The Diaries of a Cabinet Minister* "or any other material which records or reveals details of discussions or communications between ministers and advisers over the development and formulation and execution of policies and the appointment, transfer or fitness for responsible positions of members of the public service."

Other proceedings have been brought by the Attorney General against the executors and publishers of the diaries. The Attorney General is seeking to restrain publication of "any other material which, recorded or revealed details of the discussions or communications between ministers and advisers over the development and formulation and execution of policies and the appointment, transfer or fitness for responsible positions of members of the public service."

The hearing began in chambers but was adjourned into open court at the request of Mr James Conyn, QC, for *The Sunday Times*. Mr Conyn said that he had done so because Mr Conyn considered that there was an important issue on the terms on which the summons could be adjourned. He said that he had done so because Mr Conyn considered that there was an important issue on the terms on which the summons could be adjourned.

Mr Conyn said that his application for an adjournment, which was not opposed, was based on the fact that the writ had been served on *The Sunday Times* only the night before last and an amended version that morning. In March the *Sunday Times* was publishing extracts from the diaries which had serious threats of proceedings which in fact did not materialise. The diaries were not published until the night before last. He insisted that the writ should have a statement of claim because the case for *The Sunday Times* was that there was no cause of action at all disclosed by the writ.

Mr Gordon Slym, QC, for the Attorney General, said that there was a cause of action disclosed by the writ. He said that the writ was not a statement of claim. He said that the writ was not a statement of claim. He said that the writ was not a statement of claim.

Mr Conyn intervened to say that he had done so because Mr Conyn considered that there was an important issue on the terms on which the summons could be adjourned. He said that he had done so because Mr Conyn considered that there was an important issue on the terms on which the summons could be adjourned.

As a result of the articles the executors, who had given an undertaking that they would give notice to the publishers of the diaries themselves, notified the Attorney General that they desired to publish the diaries. The Attorney General then issued a writ against the publishers, and, inevitably, against the executors on June 18. By agreement between the parties it was to be heard on July 24.

Last Sunday *The Sunday Times* carried an article in which it was stated that the diaries, comments by other people some of which fell within one or other of the categories, and also comment and analysis, were to be published. The article had not been sent to the Attorney General by the publishers. The article had not been sent to the Attorney General by the publishers.

The second part of the claim, the writ—a matter of the machinery to ensure that those concerned with the public interest should have an opportunity of knowing whether such material was about to be published—was that the diaries of cabinet ministers and any other material which would be published in the diaries falling within the three categories should not be published without being first shown to the Attorney General and not later than 14 days prior to the intended date of publication.

The reason for that machinery was to ensure that if it were felt that the diaries should not be published, the Attorney General should be able to restrain publication. The Attorney General said that the diaries should be published. The Attorney General said that the diaries should be published.

Mr Slym said that *The Sunday Times*, without conceding that they were obliged to do so, were prepared not to publish further material from the diaries which fell within the three categories, but they wished to be able to publish what had already been printed and add further comment on it.

Mr Conyn said that what they desired was freedom to publish what had already been published, together with editorial comment or analysis. He said that they desired to publish the diaries. He said that they desired to publish the diaries.

His Lordship: Do I understand that you agree not to publish any new material, without prejudice to your right to publish material already published? He said that they agreed to publish the diaries. He said that they agreed to publish the diaries.

Mr Conyn: Mr Conyn's clients frankly regard the case as one of the most important cases that there has ever been about the freedom of the press. They see it as an attempt to censor the press. He said that they regarded the case as one of the most important cases that there has ever been about the freedom of the press.

His Lordship: I don't have to inquire into whether or not there is a serious question of law to be argued because that is accepted. The next thing for me to consider is where lies the balance of convenience. It is not necessary at the present stage to hear submissions on whether there is no cause of action or not. He said that he did not have to inquire into whether or not there is a serious question of law to be argued because that is accepted.

and would not disclose it for other purposes. That had nothing to do with individuals or individual items of information. It had no more to do with individuals than the parallel case of confidential information. The Attorney General sought to preserve the individual dignity of the public to preserve the proper administration of justice.

The practice which had grown up against the publication of those principles was one by which material was submitted to the Secretary of the Cabinet by a minister for his criticism and advice whether in his view there were some things in it which ought not to be published. That rule had good sense. It did not make sense to say that the diaries were to be published. He said that the diaries were to be published.

There was no doubt that Mr Crossman clearly desired to challenge that principle, though the correspondence showed that he recognised the requirement of the Secretary of the Cabinet, and after his death his executors last year submitted the first volume of his memoirs to the Secretary of the Cabinet, and there was considerable discussion between the Secretary and the executors and their representatives and the Secretary. When *The Sunday Times* decided to publish extracts from the diaries, the Secretary was much concerned about the publication of the diaries, and the Secretary was much concerned about the publication of the diaries.

Mr Conyn said that the diaries were to be published. He said that the diaries were to be published. He said that the diaries were to be published. He said that the diaries were to be published.

His Lordship: That overtook the item in the writ which referred to the diaries. He said that the diaries were to be published. He said that the diaries were to be published.

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laught on the principle and Mr Evans was an arguable case that it fell within the first category and should not be published in the public interest. The Attorney General sought to preserve the individual dignity of the public to preserve the proper administration of justice.

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£6,000 plus appointments

AUSTRALIA
New South
WalesDepartment of Technical and
Further EducationTeacher of Navigation
and Seamanship

Applications are invited for the above position.

Salary:

£5,693 per annum range \$A13,111 per annum.
Minimum salary determined according to qualifications
and experience.

Qualifications:

Master's Certificate or B.Sc. (Nautical Studies) or
equivalent with suitable experience. Teaching experience
able. Lesser qualifications may be considered.
Experience in Electronic Navigation and Radar-Simulation
able.

Duties:

Essential applicant will be required to teach any subject
other than Foreign Going Standard.

Conditions:

Career salary scale and promotion opportunities;
Security of employment;
Excellent superannuation, subject to certain
conditions;
14 weeks annual leave;
Liberal sick and long service leave benefits;
Country service could be involved.

Interviews will be arranged in London.

Not to certain conditions the successful applicant will
be eligible for:
Grant of fares to Sydney
Financial assistance towards cost of removal expenses
Financial assistance towards initial accommodation
expenses.Further information and application form telephone or
to the Recruitment Section, New South Wales
Government Offices, 88 Strand, London WC2N 8LZ.
01-839 8851 Extension 194 where applications
are accepted on FRIDAY, 25TH JULY, 1975. When telephoning or
please quote reference 44/587 (T).

Director of Social Services

Salary £8,367 p.a. to £8,987 p.a. inclusive

Candidates must be suitably qualified, have extensive
operational experience in the Social Services and be
administrators capable of directing a department
of officers and approximately 350 manual employees.
Applications of service will be those of the J.N.C. for Chief
Officers of Local Authorities.Application form and further details obtainable from the
Personnel Officer, Municipal Offices, Twickenham,
Surrey, TW1 3AA (01-892 4486, Ext. 129), returnable
by 10th July, 1975.London Borough of
WIMBORNE-UPON-THAMESSECRETARY TO THE CHARTERED
SOCIETY OF PHYSIOTHERAPYApplications for this post are invited from graduates
holders of equivalent suitable professional qualifi-
cations with wide administrative experience. Salary
less than £8,000 p.a. Superannuation Scheme.
Particulars may be obtained from:The Chartered Society of Physiotherapy,
(Department S),
14 Bedford Row, London WC1R 4ED.St. Katharine by The Tower
Limited
SOLICITORThis complex and interesting development requires the services of a full time Solicitor
with good experience in commercial conveyancing as well as planning and contract. The
work is most absorbing and offers an unusual advantage for a Solicitor in his late
twenties or early thirties to combine sound knowledge and practical ability with creative
thinking in most important redevelopment work.
The salary is negotiable.Company concerned is a member of the Taylor Woodrow Group of Companies.
Applications should be made to me as soon as possible, as it is hoped to make an early
appointment.Please write to the Company Solicitor, 18 Park Street, London W1P 4AH, or telephone
489 9221 and ask for Mr. Nicol.South East Thames
Regional
Health AuthorityHealth Planning
Management

Croydon

Salary £6,702-£8,109
inclusive of L.W.Do you want to play a leading role in planning the
new Health Service in the South East? If you are
a senior manager with extensive experience of
planning for a large organisation (e.g. the hospital
service, local government, nationalised industries
or other public service), and have an appropriate
professional qualification or degree, get in touch
with us. We are looking for someone who will be
responsible in the head of our Planning Division
responsible for a staff of about 60.You would be working with the Regional Planning
Group and other officers at top level. Your respon-
sibilities will be of two types, personal and co-
ordinating: the former would include preparation
and monitoring of the Region's capital programme
and project planning and commissioning for a
specified part of the Region. You would also have
coordinating responsibilities for the activities of
the senior staff heading other sections of the Division
dealing with planning and commissioning in
other parts of the Region.If you are interested in playing this sort of role in
the development of a dynamic Division, ask for
more details from the Personnel Division, South
East Thames Regional Health Authority, Randolph
House, 48-48a Watlington Road, Croydon, CR9 3QA.
Telephone: 01-886 8877, Ext. 257.

Closing date: 11th July. Reference No.: 5131.

Somerset

Vice Principal
STRODE COLLEGE, STREETApplications are invited for the above post in this tertiary
College which was established in 1972. The College is the
centre for G.C.E. vocational and non-vocational education
for students over the age of 16 in the Stroud-Gloucester
Shepton Mallet-Langport area.
Applicants should be graduates with full-time teaching
experience and proven competence and liking for admin-
istration.
Salary: £5,945 (Group 3) plus threshold payments, subject
to review from 1st April, 1976.
Further particulars and application forms may be obtained
from the Principal, Strode College, Church Road, Street,
Somerset, to whom applications should be submitted by
8th July, 1975.

GENERAL VACANCIES

The British Council

Senior Assistant

MEDICAL INFORMATION SERVICE

The London Headquarters of the British Council has a vacancy for a Senior Assistant in the Medical Information Service. The post holder will be responsible for the day-to-day running of the service, which provides information on medical matters to the British Council's overseas offices. The post holder will also be responsible for the recruitment and training of staff. The salary is £5,000 p.a. plus superannuation. Applications should be sent to the British Council, 11, Bedford Square, London WC1P 8EU.

Salary: £5,000 p.a. plus superannuation.

Applications should be sent to the British Council, 11, Bedford Square, London WC1P 8EU.

Closing date: 11th July 1975.

Reference: 11/75/100.

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Appointments Vacant

GENERAL VACANCIES

FUND RAISING
CONSULTANTSFund Raiser with professional experience needed in
September or October by prosperous company.
Minimum salary £4,000 p.a. with 4 automatic annual
increments of £250 p.a.
Free car and generous fringe benefits.WRITE WITH C.V. TO
DR. MICHAEL HOOKER
STATION HOUSE
DARKESS LANE
POTTERS BAR, BERTS.PRESS AND PUBLIC RELATIONS
OFFICERrequired for the largest Women's organization in the country
to publicise its work both internally and through the Press
and other media. Requires based experience, flexibility and
ability to get on with people essential. Some knowledge of
compiling and editing news bulletins an advantage. Use of a
car. Generous salary and holidays. Applications marked private
encl. only. C.V. by Friday, 11th July, 1975, toTHE GENERAL SECRETARY,
N.F.W.I.
39 ECCLESTON STREET, LONDON, S.W.1.

LEGAL APPOINTMENTS:

TEMPORARY
CONVEYANCERtemporarily required by the
London Borough of Wandsworth
for a period of 6 months to
assist in the conveyancing
department. Salary scale
£4,000 to £5,000 p.a. with
increments of £500 p.a.
Details telephone Mr. Brace,
01-748 2077 Ext. 97.

ASSISTANT SOLICITOR

An established firm in the City
of London requires an Assistant
Solicitor for a period of 6
months to assist in the
conveyancing department.
Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

ACCOUNTANCY

An established firm in the City
of London requires an Accountant
for a period of 6 months to
assist in the accounts depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

ACCOUNTANCY PLACEMENTS

An established firm in the City
of London requires an Accountant
for a period of 6 months to
assist in the accounts depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

ACCOUNTS CLERK

An established firm in the City
of London requires an Accounts
Clerk for a period of 6 months
to assist in the accounts depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.GRADUATE GIRLS
& GRADUATE MENAn established firm in the City
of London requires a Graduate
Girl or Graduate Man for a
period of 6 months to assist
in the accounts department.
Salary scale £4,000 to £5,000
p.a. with increments of £500
p.a. Details telephone Mr. Brace,
01-748 2077 Ext. 97.

INVESTMENT ANALYST

An established firm in the City
of London requires an Investment
Analyst for a period of 6 months
to assist in the investment depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

OUTSTANDING SALESMAN

An established firm in the City
of London requires an Outstand-
ing Salesman for a period of 6
months to assist in the sales
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.EXECUTIVE COMPUTERS
JET TRAVELLERSAn established firm in the City
of London requires an Executive
Computer Jet Traveller for a
period of 6 months to assist
in the computer department.
Salary scale £4,000 to £5,000
p.a. with increments of £500
p.a. Details telephone Mr. Brace,
01-748 2077 Ext. 97.

ASSISTANT MANAGER

An established firm in the City
of London requires an Assistant
Manager for a period of 6 months
to assist in the management
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.EXPERIENCED PROPERTY
MANAGERAn established firm in the City
of London requires an Experi-
enced Property Manager for a
period of 6 months to assist
in the property department.
Salary scale £4,000 to £5,000
p.a. with increments of £500
p.a. Details telephone Mr. Brace,
01-748 2077 Ext. 97.MANAGERESS
REQUIREDAn established firm in the City
of London requires a Manageress
for a period of 6 months to
assist in the management depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

NATIONAL CHARITY has a vacancy

for an Assistant Secretary aged
over 25 to cover the duties of
the Secretary in the absence of
the Secretary. The post holder
will be responsible for the day-
to-day running of the charity.
Salary scale £4,000 to £5,000
p.a. with increments of £500
p.a. Details telephone Mr. Brace,
01-748 2077 Ext. 97.

MARKET RESEARCH

An established firm in the City
of London requires a Market
Researcher for a period of 6
months to assist in the market
research department. Salary
scale £4,000 to £5,000 p.a.
with increments of £500 p.a.
Details telephone Mr. Brace,
01-748 2077 Ext. 97.

RESIDENT SUB-AGENT for Large

Furniture Store. The post holder
will be responsible for the day-
to-day running of the store.
Salary scale £4,000 to £5,000
p.a. with increments of £500
p.a. Details telephone Mr. Brace,
01-748 2077 Ext. 97.

ESTIMATOR for structural work

An established firm in the City
of London requires an Estimator
for a period of 6 months to
assist in the structural work
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

CONVEYANCER

An established firm in the City
of London requires a Conveyancer
for a period of 6 months to
assist in the conveyancing depart-
ment. Salary scale £4,000 to
£5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

SENIOR ASSISTANT (male or female)

An established firm in the City
of London requires a Senior As-
sistant for a period of 6 months
to assist in the management
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

LEGAL APPOINTMENTS

An established firm in the City
of London requires a Legal Ap-
pointment for a period of 6
months to assist in the legal
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

ALTERNATE Legal Staff (male or female)

An established firm in the City
of London requires an Alternate
Legal Staff for a period of 6
months to assist in the legal
department. Salary scale £4,000
to £5,000 p.a. with increments
of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
Ext. 97.

LEGAL APPOINTMENTS

An established firm in the City
of London requires a Legal Ap-
pointment for a period of 6
months to assist in the legal
department. Salary scale £4,000
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of £500 p.a. Details tele-
phone Mr. Brace, 01-748 2077
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The Soviet Union's hospitals of fear

just with the corruption of Indian politics—much of it beyond the reach of the law—has been the lack of an electoral system that has given the Congress Party 25 per cent more seats than its share of the popular vote in four out of five general elections.

Mrs. Gandhi has now crossed the Rubicon. None of her predecessors has ever resorted to the mass arrest of political opponents or to the suppression of the press. Under the British rulers of India to try such tactics were to bring, a fact which Mrs. Gandhi, if she survives the present crisis, will surely never be allowed to forget.

It is a measure of the success of India's democracy that Mrs. Gandhi should have been judged and found guilty by a local court. There are not too many countries in Asia or anywhere else, where such things can happen to Prime Ministers. But the real test of Indian democracy is only now beginning.

Michael Hornsby

In 1961 a new set of regulations was approved in the Soviet Union; these dealt with the emergency hospital treatment of mentally ill people who are a public danger. The regulations included many dangerous provisions, such as, for example: "Hypochondriac delusional condition, causing an irregular, aggressive attitude in the patient towards his family, neighbors, or institutions. So it would seem that someone who criticized an institution could find this being used to prove him mentally unbalanced.

The symptoms of scientist Zolotarev's "illness" were described as "split personality, expressed in the need to combine scientific work in the field with publicist activities, an overestimation of his personality, power, and role in the social environment" and so on. Gennady Shimanov, a Christian, was told in 1969: "Everything that you just told us confirms us in the view that illness lies at the base of your religious Christianity." Roy Medvedev (historian and brother of

Zhores Medvedev) found several "psychiatric" symptoms of Zolotarev, such as "psychiatric illness," as "considers the entry of Soviet troops into Czechoslovakia to have been aggression against the Czechs," and "an obsessive mania for trash-collecting."

Marina Volkhonskaya is the first psychiatrist to leave the Soviet Union and talk openly in the West about her experiences in Soviet mental hospitals. She says: "I first heard of dissidents being treated in mental hospitals of the BBC World Service and then I read about it in the *Pravda* but I could not believe it for a moment and dismissed it as hostile, anti-Soviet propaganda." Later she came across several people who started to tell her about their own views about the harmless nature of psychiatry in her country.

In 1970 a woman patient was referred to her hospital. She was Mrs Kondakova, a lawyer who had been married to the dissident Andrei Sakharov in Leningrad, besides being a high standing in the local

head psychiatrist in Leningrad, had him put there without even examining him, and had him taken to the psychiatric hospital, Marina Volkhsanskaya was not even allowed to see Ivanov's case history, and was cautioned not to become involved; later Dr Tobok, the head of her department, forbade her to visit Ivanov. After he had spent one or two months in mental hospitals, Ivanov was given a certificate saying that this period had been used for medical investigation. Diagnosis: Sane.

According to Marina Volkhsanskaya, other psychiatrists in Soviet mental hospitals either do not believe they are treating sane men or are too indifferent to object. Dr Semyon Gluzman from Kiev, the only other Soviet psychiatrist to protest against using drugs on the sane, was imprisoned for a long term in a psychiatric hospital, a mental camp, where he is interned today. Marina Volkhsanskaya was internated and transferred to a geriatric unit when she was involved in the case of Victor Fainberg. Since Fainberg in Leningrad during the brief period of freedom be-

country.

Victor Fainberg is one of the very few lucky ones—he is free and has retained his sanity. But what of Semyon Gluzman? And Vladimir Bukovsky, who collected information about abuse in psychiatry and made it available to Western journalists? He collaborated on a remarkable document with Gluzman, *Manual of Psychiatry for Political Dissidents* (published by Amnesty International in London); recently smuggled to the West, it contains advice for those who find themselves faced with forced psychiatric detention. Now Bukovsky himself is seriously ill in Vladimir prison.

In November, 1973, the Royal College of Psychiatrist passed a resolution condemning the use of psychiatry on political dissidents; now the well-meaningly but considerably hesitant further action to take. Now is the time for psychiatrists outside the Soviet Union to raise their voices in protest if they are truly to call them selves doctors.

Valerie Kay

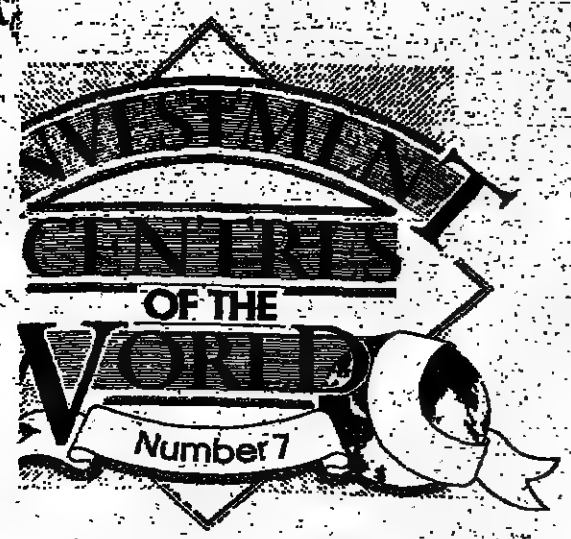
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Beirut



Sala Haery/Sipa

Lebanon as nation plots a course back from the brink

Martin has a reputation for policy, crises, happy habit of to summer clouds. Brink, the country seemed to slip back into business not so with the t of trouble which Lebanon. For the a since indepen- g innate optimism in the Lebanese. t eruption of the as been the most s so far, and the gloom persists unmed efforts to unbury back on the pessimism is not and reason. The full damage caused test crisis that has non has yet to be used. But all res- Lebanese are hat a repetition only carry greater but could prove a two months war- ets paralysed the capital of the ast for more than oring the time be- two major armed ions business was in fits and starts- often rumour, or of gunfire, closed sent staff scurry- ne safety of their ative estimates put to the Lebanese well in excess of the height of the for instance, the Beirut had more ships berthed in or lying at anchor y for weeks. Much

traffic was eventually diverted elsewhere. Luxury hotels, favoured by international business men, were empty, running on skeleton staff. What can- can be distinguished is the loss to those who depend on Lebanon, but for the first time many international concerns began seriously to cast their eyes elsewhere.

Indigenous skills

For the Lebanese, this is a serious development. The country's reputation of being the Switzerland of the Middle East has been well earned. With the most advanced banking and business facilities to offer and a commercial infrastructure manned by impressive indigenous skills, its development as the area's centre was a natural phenomenon. Particularly after socialism closed other capitals, like Cairo and Damascus, to international concerns wishing to conduct business on a competitive basis, laissez faire Beirut was the choice.

An important ingredient in Lebanon's success was the fact that, while it shared a border with Israel, it had studiously steered clear of the Arab-Israeli conflict. For Lebanon, this policy paid off in early Arab-Israeli conflicts and, even in 1967, reaped benefits. Whereas Egypt, Syria and Jordan suffered massive economic dislocation, through the loss of a war, Lebanon saw greater prosperity come its way. However, Lebanon's make-up roughly half Muslim and

half Christian—was destined eventually to play a determining role in this. Whereas the Christians, who enjoyed most of the power after independence, favoured a policy of non-involvement, the Muslims wanted Lebanon to throw in its lot with the Arab cause. Clearly much of this was politicking on the part of the Muslim leaders, but the fact that entire Muslim opinion was behind President Nasser and his Arab nationalism, is evidence that there was genuine sentiment involved.

With the death of Nasser, this ultra-Arab feeling among Lebanese Muslims may well have died too. But another force, hitherto a minor consideration in Lebanese politics, emerged with much vigour that it finally had a decisive say.

From the first major confrontation between the Palestinian guerrillas and the Lebanese army in 1969, the Palestinians secured their political foothold. The guerrillas took control of the 17 refugee camps, placed strategically throughout the country and gave the 300,000 Palestinians living in Lebanon a disproportionately powerful voice. For Lebanon the effects of this were fundamental.

Almost uncontrollable in their new status, the guerrillas turned Lebanon into their last front against Israel—aroding the country's hard-earned special position in the Middle East conflict. In the Lebanese cities, guerrilla power posed a serious threat to authority.

It was the long-term repercussions of this for Lebanon, as much as any other single

factor, that led to the check the April crisis and its aftermath, decided to raise this as a national issue in his parting speech to Parliament. It had the effect of despoiling the internal divisions and advanced the process of communal polarisation.

The Muslim leadership welded itself into a united front in the face of growing popularity among the Christians of the Phalangists and stood firm in their demand that Mr Rashid Karami, the Tripoli leader, be the new Prime Minister. What followed was Lebanon's first military government—as unpopular move by President Soleiman Franjich, but one which has proved wise in hindsight.

The second factor, which had become woven intrinsically into the crisis, was the increasingly militant Lebanese left. Long the most vociferous backstop of the Palestinian guerrillas, the left had come of late to exact from the guerrillas the price of those years of support.

Widening social disparities, a fast rising cost of living, the absence of an effective social services system and negligence on the part of the regime, had made Lebanon in recent years fertile ground for leftist inspired unrest. Seizing upon this and the magnitude of the conflict between the guerrillas and the Phalangists, the left saw in the recent crisis their first opportunity to try to use the guerrillas as their own army.

It is against this background that Mr Karami, the Prime Minister-designate, has made his determined and exhaustive attempts to form

a new Government. The one encouraging element is that all responsible elements in the Lebanese crisis have agreed that the first priority is a strong Government to restore the national and international confidence lost in the recent dark days in the country's history.

To the outside the talking seems interminable. But talking is a welcome sign in a conflict which has claimed so many of Lebanon's sons.

Trying to form government

Clearly the latest crisis has demonstrated to Lebanon that serious consideration must be given to the need for some change in the country. On the demand for a rewriting of the Lebanese Covenant, it is ironic that the man now trying to form a new government is one of the chief proponents of this.

Not so long ago Mr Karami had made known his intention to stand for President when the post becomes vacant next year although tradition reserves this office for a Maronite Christian. However, Lebanese politicians are renowned for failing to carry out in office what they have promised in their campaigns.

In addition, the Government must by now be aware of the consequences of social neglect. For instance, it is fortunate that Imam Musa Sadr, a man who has shown a degree of vision and responsibility coupled with the popularity of the traditional religious leader, commands the respect of the under-

privileged Shia community, a good many of them driven from their homes in the south by Israel raids and destined to swell the ranks of the urban poor. These are just one example of the available grist for the leftist mill.

All who know Lebanon intimately have confidence that it will pull itself out of its present mess. That this is an urgent task is obvious to all Lebanese. Lebanon remains the unrivalled centre in the Middle East. No other Arab capital has the facilities and know-how to supplant it.

But the warning signals are there. The move is towards peace and Egypt is in the vanguard. The reopening of the Suez Canal earlier this month was the first shot across the bows. This will take away a good deal of Lebanon's entrepot trade to the Arab east. If Egypt succeeds in transforming itself into a financial capital the effects on Lebanon would be considerable.

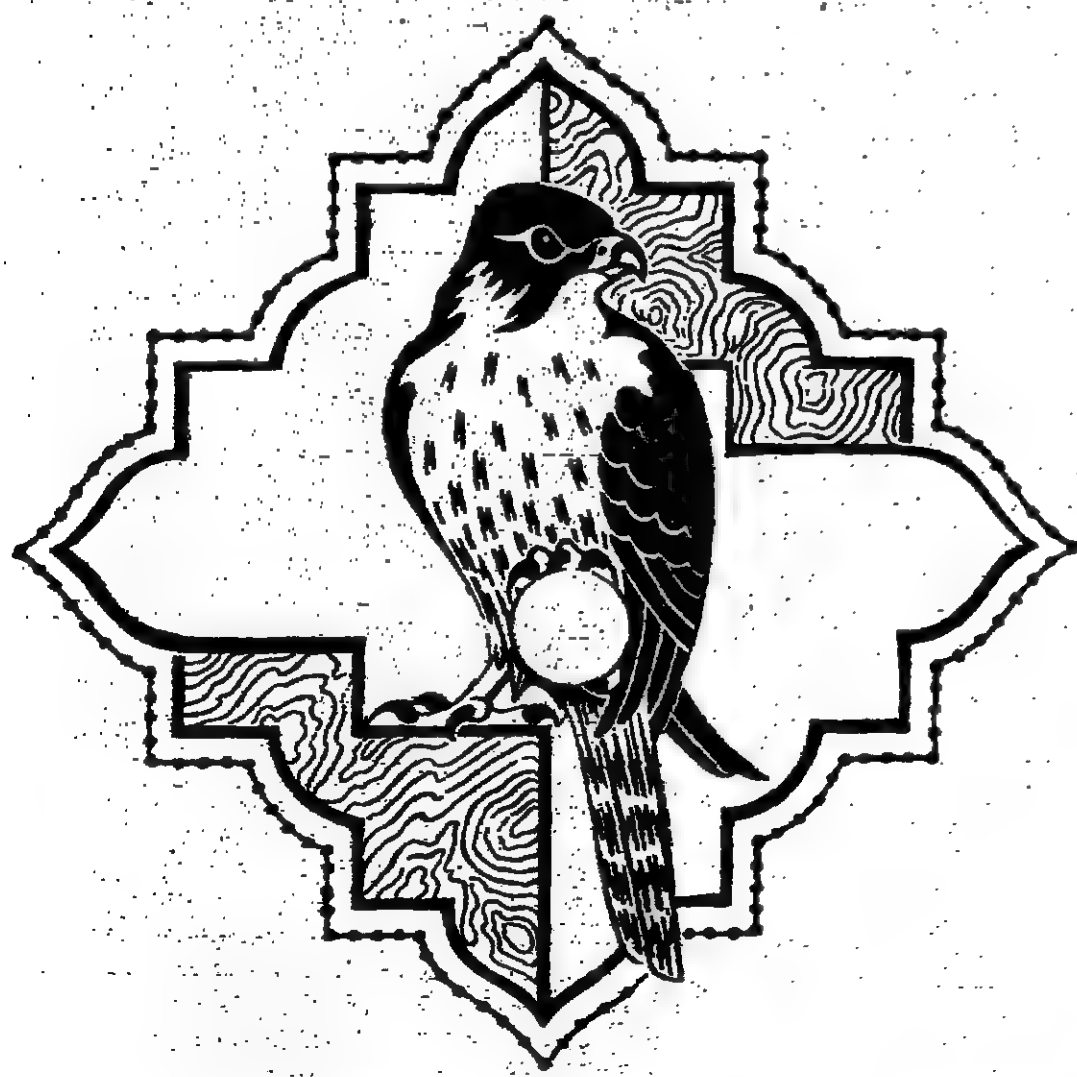
Then there are the Gulf states. This is where the money is to be found. Continued strife in Lebanon would convince bankers that it is simpler to deal directly. If Saudi Arabia ever opened up its society it would be irresistible.

It is with this in mind that serious Lebanese believe the time has come to settle all outstanding differences so that the challenges will be met and that the best way this can be done is through a conference of national reconciliation. At such a meeting a new chart, if that is what the solution is to be, can be drawn to plot the country's course.

With the announcement of a new government in Lebanon the Palestinian guerrillas (above) and the rightist Phalangists (top) have observed an uneasy ceasefire behind their respective barricades.



With the announcement of a new government in Lebanon the Palestinian guerrillas (above) and the rightist Phalangists (top) have observed an uneasy ceasefire behind their respective barricades.



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Compact nation with an economy on the big scale

by Dr N. G. Khalaf

For a country only 4,000 sq miles in area and with a population of only three million, Lebanon has made good economic progress. Income levels are now \$700 per capita and there has been a 10 per cent increase in gnp each year for the past five years.

The same progress is reflected in the general welfare of the people. Caloric consumption a head has increased, as has the consumption of energy. Life expectancy is now greater, school attendance higher and there is a higher ratio of doctors to patients.

Lebanon has also been spared many of the economic consequences of being a small country. The instability often associated with small economies has not afflicted Lebanon. Apparently, the size of its economy has not been an impediment to economic development. Its dependence on trade, the limitations of its economic and occupational structure, and the concentration of exports have not unduly reduced the country's rate of development.

To understand this achievement, one must recognize that a distinguishing feature of the Lebanese economy is the preponderance of trade and services over all other sectors of economic activity.

This is reflected in the distribution of its national product. A breakdown of this by sector shows that agriculture and industry combined generate less than a third and the service sector generates the remaining two thirds. The pattern and quality of Lebanon's resources and the size of the economy are largely responsible for this. Lebanon is not well endowed with agricultural and mineral resources. Most resources required for the development and sustained growth of a sound agricultural and industrial base are either scarce or lacking.

But Lebanon's central

geographic location, and the attraction and variety of its climate, have made the country and particularly Beirut, the hub of the Middle East. Beirut is a busy trading and financial capital as well as a holiday centre for the region.

The Lebanese has an outgoing disposition, a capacity to copy others, and a talent for business.

The Lebanese attitude to business, which considers industrial and agricultural pursuits less interesting because they are less lucrative, is partly responsible for channeling heavy investments away from agriculture and industry into real estate and commercial projects.

The large investments in land or securities for speculative purposes have not only misdirected Lebanon's capital resources, they have developed in the people a negative attitude towards traditional vocations. The average Lebanese, particularly the young, resists employment in handicrafts and agriculture.

This has increased the scarcity of skilled and semi-skilled workers. This scarcity, already an obstacle to the growth of the industrial and agricultural sectors, will intensify as the requirements of a balanced economic growth increase the demand for a skilled and a more technically prepared labour force.

There is a sizeable migration of rural, generally unskilled, workers to Beirut, which has meant neglect and often desertion of agricultural land, as well as additional unemployment and related problems in urban centres.

Data based on the latest manpower surveys lend support to these arguments. Labour engaged in agriculture declined sharply during the past 15 years from half the labour force to 19 per cent; those engaged in services increased from 32 to 55 per cent, and in industry from 12 to 18 per cent. Roughly half the labour force is employed in the Beirut area; 30 per cent

of the labour force has no education; 50 per cent, primary education; 15 per cent, secondary; and only 4 per cent has university education.

Other labour statistics are also relevant here. It is estimated that only 27 per cent of the population is part of the labour force. This fairly low percentage—in advanced countries the percentage is close to 50 per cent—can be explained both by a young population distribution (43 per cent are below the age of 14), and by the low percentage of women in active employment (fewer than 18 per cent are gainfully employed).

According to the Ministry of Planning, the unemployment rate, including seasonal unemployment, is more than 8 per cent. The survey on which this estimate is based excluded non-Lebanese workers whose number is sizeable—about 750,000 are said to have entered Lebanon during the past 15 years. It did not account for underemployment and disguised unemployment known to be fairly common in agriculture and public sectors—60 per cent of government employees are reported to carry jobs in the private sector. So unemployment during the past 15 years is higher than those already reported.

Unemployment could be a potentially serious problem. Traditionally the Lebanese have relied on emigration as a way out. For every Lebanese at home there is one abroad. Recent emigration rates have increased again—extending between 6,000 and 15,000 annually during the past 15 years.

In view of the estimated increase in the number seeking employment in the foreseeable future, emigration will not be a sufficient answer. The magnitude of the unemployment problem will depend on the scale of expansion in the industrial, agricultural and service sectors, and on their capacity to absorb additional labour.

Industrial employment has more than tripled and banking investments channelled abroad enhancing the role of Beirut as a banking intermediary, between the Middle East and other regions, though the placement of Arab funds abroad has come to be more and more directly assumed by the Arab exporting countries.

Proper capital market needed

by Dr Samir A. Makdisi

Lebanon has an open economy with no restrictions on international current and capital transactions as a flexible exchange rate policy has been followed. Second, the private sector has been, and remains dominant in the country's economic performance.

Third, on the whole—at least until the early 1970s—Lebanon had experienced relative financial stability despite occasional political crises. In the past few years Lebanon, like other countries, has been subject to the effects of world inflation.

The external economic policy stance of the national authorities of maintaining a totally liberal and simple exchange system based on a flexible exchange rate, has contributed greatly to the development of the Lebanese foreign exchange and money markets. Beirut has developed as a Middle Eastern commercial and banking centre.

In effect, the development of financial intermediation in Lebanon has been so far largely tied to the development of commercial banking. Consequently the money market (in contrast with the capital market) has been the dominant financial market, and term financing has been basically related to short-term operations.

Although more recently, measures have been taken to expand medium and long-term finance. The growth of commercial banking activity in the post-war period is impressive. It is partly indicated by the increase in bank deposits and credit operations. As a ratio of national income, total deposits averaged an estimated 20 per cent in 1952-54 rising to an average of about 90 per cent in 1971-73. For the same period the ratio of outstanding claims on the private sector to national income increased from an estimated 30 per cent to almost 60 per cent respectively.

The above stated features of the Lebanese financial system and performance have helped to attract foreign funds to Lebanon for safe keeping (a banking secrecy law concerning amounts and ownership of deposits was passed in 1956), as a transitory centre, as well as for domestic investments, particularly in real estate and industry.

Foreign banking interests also have been attracted to Beirut, especially in more recent years, where they established their regional headquarters with an eye on the growing Arab financial resources. An existing ban on the licensing of new banks, in effect since 1967, has in turn led to the effective takeover of a number of Lebanese banks by large foreign banking interests.

In the past few years, the share of deposits held with Lebanese-controlled banks has been less than 30 per cent of the total. Partly because of this strong foreign presence in the banking system, a large portion of

banking investments channelled abroad enhancing the role of Beirut as a banking intermediary, between the Middle East and other regions, though the placement of Arab funds abroad has come to be more and more directly assumed by the Arab exporting countries.

Indeed, the development of a capital market in Lebanon—in both its domestic and international aspects—has lagged behind that of the money market. Medium-term financing by existing commercial banking establishments has been limited. The 1966 crisis of November, 1966 led to a much closer supervision over commercial banking activity relating to longer-term financing.

At the same time private credit institutions were not established until recently while serious governmental participation in this sector began only in 1973 with the establishment of the National Development Bank which is engaged in medium and long-term financing of enterprises concerned with money and credit in 1973 to permit the Central Bank to develop and organize the financial market. Nevertheless, the task of developing a substantial capital market still lies ahead.

Measures taken to remedy this gap in the Lebanese credit structure include tax incentives granted to long-term credit institutions and the amendment of the law on money and credit in 1973 to permit the Central Bank to develop and organize the financial market. Nevertheless, the task of developing a substantial capital market still lies ahead.

More appropriate structure

Domestic requirements for a more appropriate credit structure apart, the stimulus for the development of a Lebanese capital market has recently emanated from the tremendous growth in Arab financial resources after 1973 and the desire of Lebanese private and public financial groups to establish Beirut as one of the major financial centres which can handle Arab funds. During the past few years, credit institutions were established to try partially to meet this task, but these moves, on their own, constitute a limited beginning.

Indeed, the future financial challenge facing Lebanon is precisely the development of a proper capital market which can cater to domestic needs as well as enable Beirut to serve as a future major financial centre for the Middle East and possibly other regions. Factors which are expected to be a positive contribution to such prospective development include those features of the Lebanese economic system and performance which in the past helped it to grow financially: traditional freedom of current and capital movements, relative financial stability (the inflationary pressures of the past few years notwithstanding), the growing Lebanese expert knowledge in financial management.

This does assume that the

national authorities will pursue policies which will permit the continuation of the above traditions.

Equally important, however, is the realisation—at the levels of both private and public sectors—that the future financial policy should be geared to developing the Lebanese capital market and establishing Beirut as a major financial centre.

But will this objective be accomplished? In terms of past financial performance experience, Lebanon does possess a number of advantages over potentially competitive centres in the region. Nevertheless, the development of parallel financial markets in the region is in itself not the real or significant issue. The Middle East can stand a number of such centres which to a large extent can be evolved along complementary lines.

The real challenges which Lebanese national authorities have to meet is their ability not only to identify the steps which need to be taken (this is now being done in part by banking interests, private and public), but in properly carrying out all the requisite measures.

The areas of required reform and new departures are many. There is, for instance, the need for a substantial improvement in the supervisory and regulatory functions of the monetary authorities over commercial banking and other financial activities. National supervision has been gradually implemented only after the intra crisis.

Considerable progress has since been made under the direction of the Banking Control Commission established in 1967. Nevertheless, a more effective supervision by the Central Bank is necessary, especially in view of the fast growth in banking activity in the past decade which has been accompanied by a growing dominance of foreign banking interests.

The use by the Central Bank of monetary and banking tools has been limited, and what is now called for is a more active but properly envisaged monetary and banking policy, albeit as part of overall national economic strategy. One aim of such policy is to assure financial stability, taking into account the strong foreign presence in the banking sector.

Another is to guide the growth of the capital market both at the international level and at the domestic level (a more economically efficient sectoral distribution of credit). These considerations raise in turn a related issue, namely, the need to remove existing legal and other obstacles to the development of the capital market at the level of debt instruments and of institutions. For example, the existing law governing medium and long-term credit institutions does not permit them to accept deposits with maturities of less than two years.

Such a stipulation could prove to be too restrictive a measure.

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the number of industrial companies, which has doubled in the past decade. Despite this expansion, the relative share of the industrial sector in gnp has only lately begun to improve. Three traditional industrial products—textiles, foodstuffs and beverages—account for about half of industrial output.

Appreciable expansion in industrial exports has been achieved in metals, mineral products, processed foods, textiles, clothing and pharmaceuticals. The bulk of these industrial exports goes to a small number of Arab countries. The latest industrial census still shows that no more than a third of industrial companies employ more than four workers and that these firms are heavily concentrated in the Beirut area.

The present expansion in industrial exports is a promising sign and should continue if the Lebanese industrial sector is to make more effective use of economies of scale and do away with the limitations imposed by a small domestic market. It is too early to evaluate the impact of the newly formed semi-public Development Bank in generating industrial capital and in facilitating further industrial growth in such specialized credit institutions is capable of making available medium and long-term credit for industrial development.

This should remedy one peculiarity of the Lebanese banking and credit system, where commercial banks saturated with deposits lend or invest abroad while the industrial sector at home is unable to obtain credit for development. More active and comprehensive government participation is called for here.

The Lebanese devotion to laissez faire and the conflict between the free traders, who want Lebanon to "import and free" and the industrialists, who mouth "export or die" slogans, are both important obstacles to carrying out an effective and systematic industrial policy and to raising the funds needed for economic development and social welfare.

The performance of the agriculture sector has not been so impressive. Its share in the labour force has declined and its contribution to gnp has not increased. Because of its size and land resources, Lebanon remains a net importer of foodstuffs. Vegetables and fruit still account for the bulk of its exports.

Concentration in trade and geographic concentration in particular, reduce Lebanon's capacity to isolate itself from outside influences. But in the process the country acquired regional advantages which cannot be rivalled by other countries, and which are a source of income. Balance of payments de argument. Thanks to a flexible exchange rate policy, Lebanon's balance payments have been almost continuously surplus for the past 20 years.

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Revival of industry alongside craft

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Lebanon's emphasis on the development of the service sector has restricted interest in manufacturing industry. The country has a tradition of industry craft in the time of the ancients, who were skilled by their contentment as the merchant of the eastern Mediterranean, the region of the ancient world. The craft industry, including glass, spinning, weaving, dyeing, furniture making, and metal work, is still thriving. The gold and silver of the East, which the ancients traded, were locally by highly skilled craftsmen, and these activities still thrive. Inside the traditional industries, a wide range of new industries has been established in recent years, using modern techniques. Many of the industries have been established in the late 1960s, after the crash of the Bank and the war with Israel, there was a loss of confidence in the Lebanese service sector. At the time leading figures began to realize an excessive dependence on services rendered an economy vulnerable, that the only remedy was to diversify into manufacturing.

Industrial sector accounts for 15 per cent of the gross national product, but employs more than 120,000 workers. Lebanon's liberal economic policy has encouraged the growth of private industry, the well-developed banking sector has meant ample funds have been available to finance investment in plant. Two years ago the Government established the National Bank for Development of Industry and Commerce, with an initial capital of £20m. It was a joint venture, the state subscribing 50 per cent of the paid-up capital, and a consortium of private Lebanese and foreign banks providing the balance. Since the start of its operations almost two-thirds

of the bank's advances have been for industrial development, with 14 major projects aided. More loans would have been provided if a greater number of sound projects had been put forward to the bank. Unlike neighbouring Arab countries which have built up heavy industries such as steel, Lebanon has concentrated on light industry, oriented more to the production of consumer goods. The profit motive has been paramount, with private investors going into those areas of production where the country has its most obvious advantage. There has, for example, been a considerable expansion of food-processing plants, including fruit canning and jam manufacturing. More than a third of Lebanon's exports are now manufactured goods, while an increasing proportion of canned fruit and tomato purée is also sent abroad. The textile industry is of mounting economic significance, with increasing quantities of domestically produced fabrics being used by local clothing manufacturers. Lebanese clothing is attractively styled, with the French influence still apparent. Leather goods are particularly good buys in Beirut.

The Government has tried to encourage foreign capital investment in Lebanese industry by offering generous tax concessions. A law passed in 1967 gives a six-year period of exemption from income tax for new manufacturing establishments, while industries approved by the Industrial Development Board may at the same time receive tariff protection and import vital materials free of customs duty.

Though Lebanon offers a market of only 1,800,000 people, it enjoys preferential treatment in most Arab countries. For political reasons the country has been unwilling to join the Arab "common market," but the Government has secured bilateral trade agreements with a number of Middle Eastern countries, including Saudi Arabia and the Gulf states.

At present most Lebanese industrial exports go to

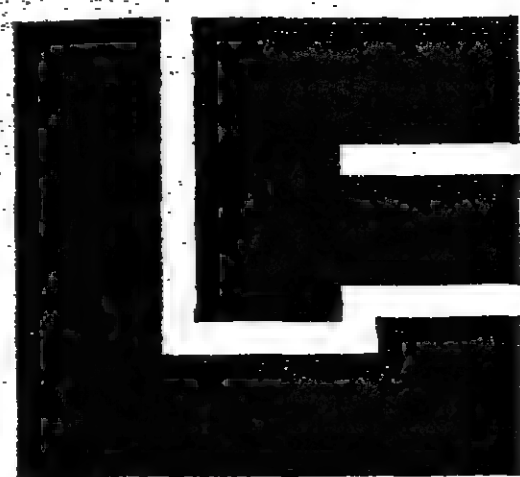
Arab states, with Saudi Arabia the leading customer. Proceeds from exports to Saudi Arabia rose by more than a quarter last year, and rising incomes there, and in the other oil-producing states, enhance still further the prospects for Lebanese industrial products.

The domestic market is insufficient to support local assembly of items such as refrigerators, air conditioners and lifts, yet all these industries have been built up in recent years. A major factor favouring industrial expansion in Lebanon has been the availability of cheap oil. Two big pipelines end in Lebanon, one running from Iraq oilfields to the Mediterranean at Tripoli, and the other carrying oil from the Arabian American Oil Company (Aramco) fields in Saudi Arabia to Zahran near the port of Sidon. Large refineries are located at the Mediterranean terminus of each pipeline, though the Zahran refinery is not operating because Saudi Arabia has cut back oil supplies.

The closure was partly a response to the fall in world demand, although Syrian political pressure was an additional factor, as a section of the pipeline runs through the Israeli-occupied Golan Heights. As part of the oil producers' agreement with Lebanon on pipeline royalties, oil from Iraq is obtained for domestic consumption at a quarter of the world price, and part of the Saudi oil is purchased at only \$5 a barrel. It is uncertain that these price concessions will continue, however, as the Opec nations dislike two-tier pricing systems.

The availability of low-priced petroleum has encouraged the development of the Lebanese plastics industry. There are more than 80 plastics factories, most of them small, manufacturing mainly for the domestic market where consumption of plastic goods has tripled since 1960. Rising oil import costs could, however, threaten the industry.

Proposals for oil exploration in Lebanon and its off-



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Crucifer to the Arab world

Lebanon takes its name from a mountain, and it is this which explains the country's pattern of agriculture. While the mountainous areas produce a surplus in less than half of Lebanon's land being cultivable, the low altitudes enable a wide range of crops to be grown that cannot be produced elsewhere in the Middle East.

It is an important crop, despite the country's little more than half the area of the West. It is the main supplier of apples to the Arab world. The orchards are found high up Mount Lebanon overlooking the Mediterranean, at altitudes of about 2,000ft. Even the summer heat, lower down the mountain, does not affect the oranges grown in the red groves. Here the rainfall averages up to 100 in, ensuring the plentiful supply of water which fruit requires. In Lebanon, where the coastal plain widens at the mouth of the Litani, the production of fruit has been increased in recent years by irrigation, harnessing rainfall on the west slopes of the mountains.

Because of increasing speculation in fruit production, Lebanon is often referred to as the California of the Middle East. In many ways the comparison is justified, as the similarity in agricultural production reflects not only climate but also topography.

the east of Mount Lebanon and corresponding California's Great Valley the Bekaa region, where of Lebanon's vineyards are located. Conditions are for vines in this rift region, with hot sun and not too much shade, as the area lies in shadow. The sloping sides provide excellent drainage, in the Bekaa cereals are grown



Colourful fruit and vegetables on tempting display in the old suk.

the chief buyers. Significant quantities of apples are sent to Egypt, Iraq and Jordan as, although these countries are major fruit producers, their climate is unsuitable for apples.

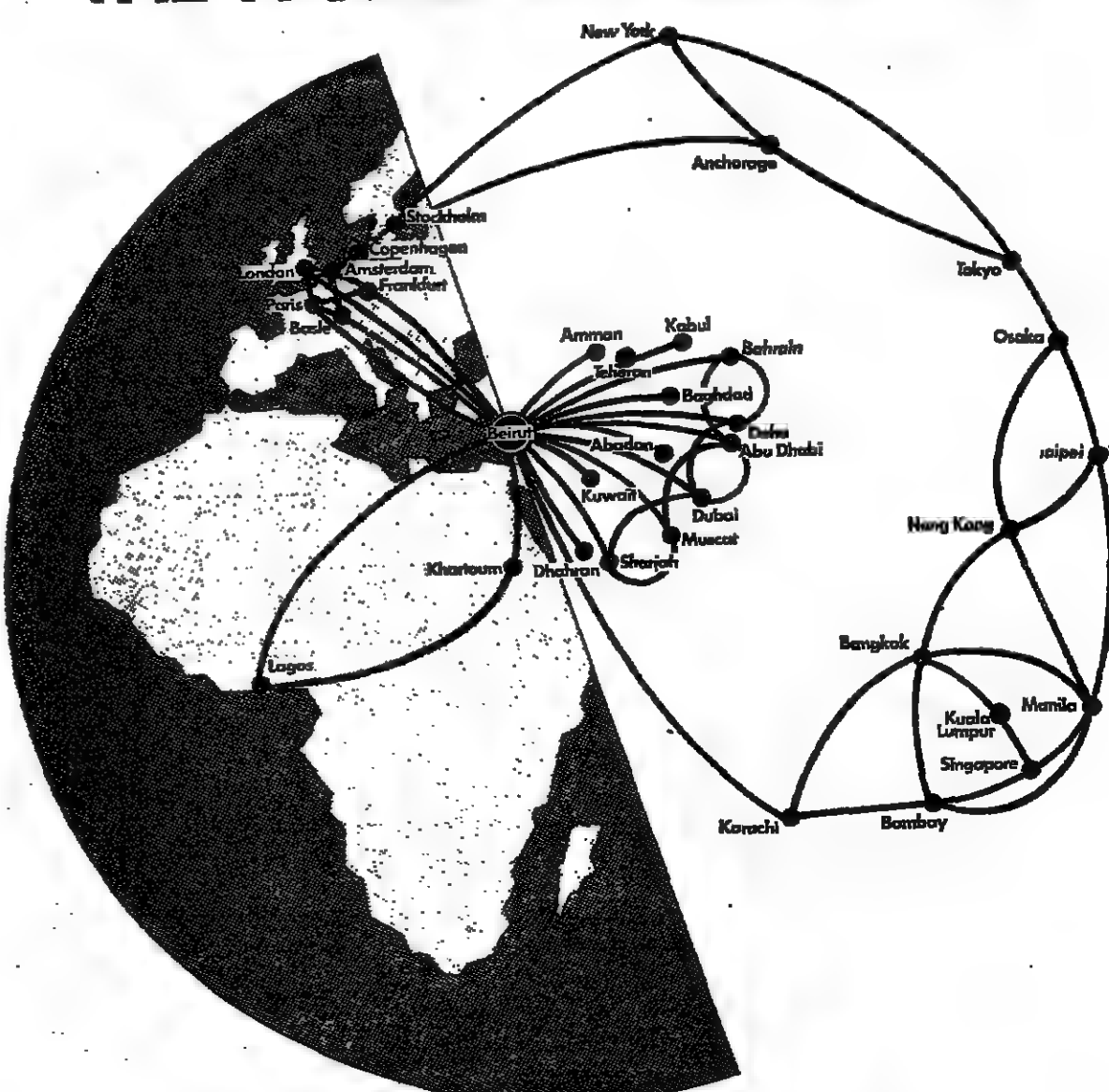
As this winter has been moderately wet in Lebanon, in contrast to the dry conditions of last year, 1975 should be a good year for citrus fruit production. Future exporters should have fewer problems with the transport of fruit. The closure of the Syrian border disrupted exports to Iraq, Saudi Arabia, the Gulf States and Jordan, but this inland route is now busy again. The reopening of the Suez Canal will give Lebanese traders an alternative route to Saudi Arabia and the Gulf, although most exports will probably still take the inland route while congestion persists in the port of Beirut.

Despite its major contribution to trade, Lebanon's agricultural sector accounts for less than one eighth of the national income. The country has considerable agricultural potential which is still left unexploited. Although the Government has financed some irrigation projects in the Bekaa which benefited the area's Maronite Christian farmers, in other parts of the country the authorities have been slower to act. Plans were drawn up more than a decade ago for a major irrigation scheme on the Litani river in the south, but this has still not been implemented, although action has been repeatedly promised.

Lebanon's main export market for fruit is the Arab world, with Saudi Arabia, the Gulf States and Libya as

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and had university economics students wondering why you have Lebanon from

Another factor was the attractiveness of buying land in a fairly stable country where minimal state interference means easy construction licences and a soft 3 per cent registration tax.

Something of an indigenous hysteria in the face of inflation also helped the boom. Lebanese speculators wanted to live up to their name and this combined with a general economic upswing in the country, and the parallel infusion of Arab money from Syria and the Gulf region.

was an abnormal increase that, at its extremes, saw prices of land in the covered Hamra commercial zone go up from £Leb3,500 a square metre in 1967 to £Leb20,000 this year.

Residential property prices in Beirut have gone up from £Leb300 a square metre to £Leb1,500 and are still rising, albeit at a more moderate rate.

Rents have increased similarly, with office space in one new Beirut tall office complex going from £Leb250 a square metre in 1973 when it opened to

Despite the seeds of the pure speculators and others who sold when the selling was good, the real estate boom has spurred frantic construction activity throughout

The idea is usually to raise the rent for the new tenant. With the influx of a well-paid foreign business men into Beirut, that new tenant is becoming increasingly easy to find. All this comes at the expense of the middle-class Lebanese family now moving into suburban apartments or more rural areas where the lack of basic services such as schools, hospitals and good roads makes life less idyllic.

For the man or woman who has to commute

Israel attack on Beirut airport at the end of December, 1968. Even in 1967, the June war led to only a 3 per cent drop in MEA passenger traffic.

MEA now runs scheduled flights to 40 destinations in the Middle East, Europe, the Far East and Africa and plans to go transatlantic this year with flights to New York. This year it is beginning Jumbo jet services and has an option on the Concorde, which it hopes to use on a new Beirut-Tokyo flight. One new


tion letters, and this problem was further aggravated by renewed fighting last month. This mail included bills of lading, and their non-delivery made it impossible for businessmen to clear consignments from Beirut port, thus leading to even greater congestion.

Similar disruptions occurred in Lebanon's normally good international telephone system. Whereas previously one could obtain

an international call to most countries in the world within half an hour, during last month's upheavals, subscribers were lucky to obtain a line to the central telephone exchange, let alone call a number abroad within a reasonable length of time.

Assuming that political stability is restored, numerous ambitious projects are either under way or being studied to meet Lebanon's rapidly expanding

needs as a communication centre. Thus, the plan is to bring direct-dialing to Europe and the United States into full operation will require the construction of a new international switching centre with 2,500 circuit capacity, over 20 times the size of the existing one. This would relieve a serious bottleneck and enable other telecommunications projects to be fully developed.



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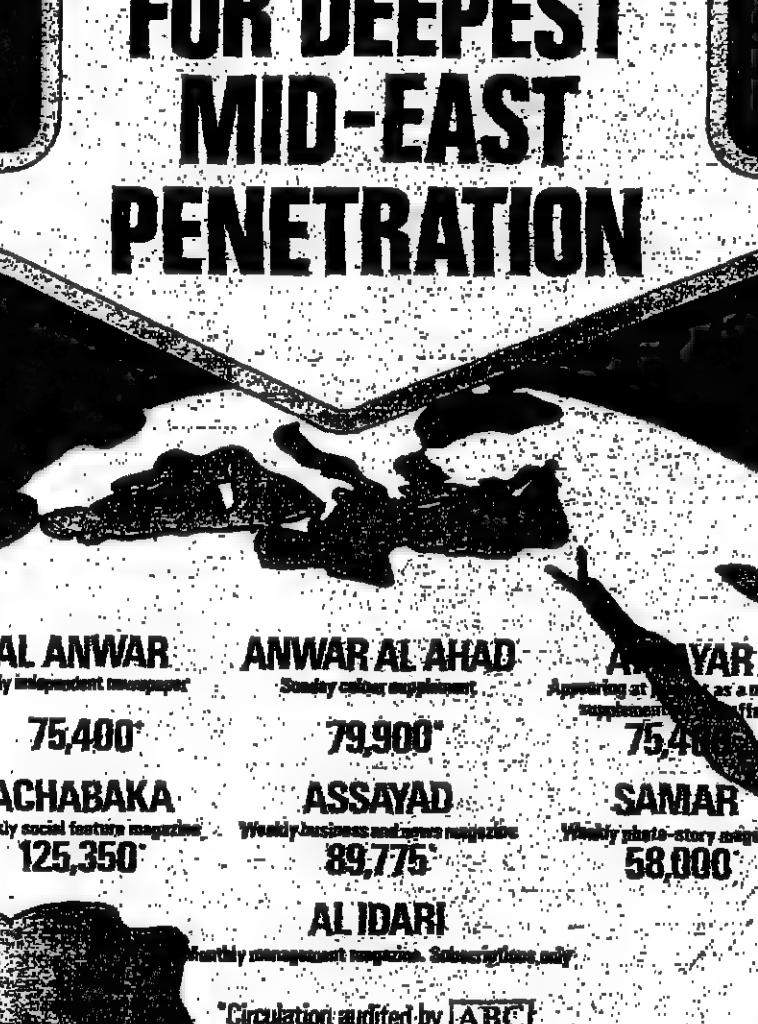
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How to win accounts and influence people

appreciate the healthy Beirut advertising scene, it helps to understand the city. It is a large metropolis, with a population of 1.5 million, and a wide range of services, from banking to education. The advertising industry in Beirut is a reflection of this diversity. It is a mature industry, with many agencies and a high level of professionalism. The industry is not just about selling products, but also about influencing people. This is why it is so important to the city's economy.

After two decades of work, Beirut has developed a sophisticated advertising industry. The industry is not just about selling products, but also about influencing people. This is why it is so important to the city's economy.

The industry is not just about selling products, but also about influencing people. This is why it is so important to the city's economy.

Strategy hinges on magazines

Much of this strategy hinges on Beirut's handful of daily and weekly political and social magazines that are distributed and read throughout the Arab world. Combining effective colour graphics with high-frequency placements, the Beirut-based agencies can cover the bulk of the middle and upper-class public that would conceivably be interested in recessed-filter, extra-long, menthol, de-soured, factory-fresh cigarettes, or a price-a-day direct flight to New York with only one stop in Europe and a choice of two films on board.

Another executive, whose firm had a consolidated regional budget of \$1.2 million last year, sees the Beirut advertising scene as a mature industry. The industry is not just about selling products, but also about influencing people. This is why it is so important to the city's economy.

The industry is not just about selling products, but also about influencing people. This is why it is so important to the city's economy.

Oil money has yet to filter down

One prominent Beirut agency is already talking with American, European and Japanese agencies interested in the oil market. The feeling among many Beirut advertising men is that the international agencies may be coming into the area through some form of association with the large Lebanese houses.

With the oil revenues slowly making their way down from state coffers to the market place, the agencies are poised for a long, playing business. The oil will see a significant increase in regional business, especially throughout the Gulf area. In the future, as today, Saudi Arabia will be the biggest target.

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The lottery has been a success. It has raised a lot of money for social services, and it has been a great help to the community.

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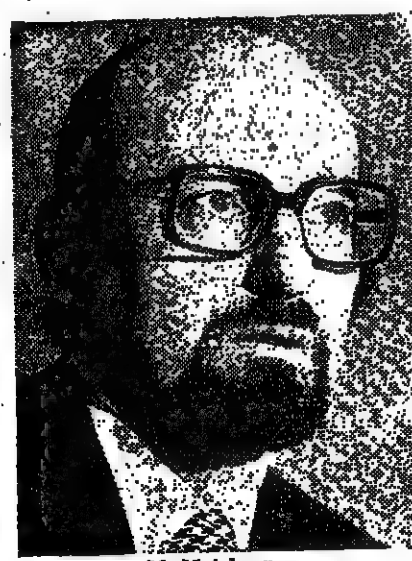
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Focus

Research by Susan Morgan

Trade

Trade accounts for about 35 per cent of gross national product making Lebanon highly vulnerable to fluctuating market conditions, recession, inflation and rising prices of raw materials (which account for more than a third of imports). In addition, severe congestion at the port of Beirut and at the airport is hampering trade while the recent opening of the Suez Canal must adversely affect Lebanon's flourishing transit trade, which accounted for 65 per cent to 90 per cent of all foreign trade between 1963 and 1972.

The rapid development of neighbouring oil-rich states may threaten Lebanon's unique position as a traditional trading centre of the Middle East. Furthermore, increases in customs duties, both last year and in April this year, alarmed traders; last year customs duties netted \$146,941,000, an increase of \$100m over 1973.

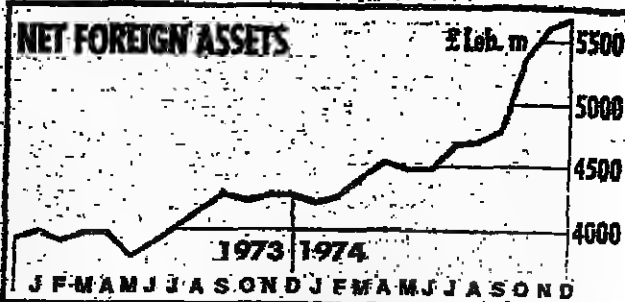
The main exports have traditionally been vegetable products and canned foods, but in 1973 high prices for jewelry, precious stones, metals and coins made them more important. They were worth \$133.4m, double the 1972 figure, and they increased again in 1974. Textiles were worth \$172m in 1973 and agricultural products \$145.3m (up only 6.8 per cent from 1972). Exports of fruits rose 16 per cent between 1968 and 1972.

Industrial exports in 1974 were worth \$144,693,335 compared to \$143,681,975 in 1973. The 1973 figure was well above that for 1972. But there is still concern at the narrow economic base of Lebanon's exports.

There is also concern over imports, particularly of luxury consumer goods such as alcohol and tobacco. They accounted for \$136m in 1973. But the largest share of the imports market was for machinery and equipment, including electrical appliances, costing \$147.6m in 1973, an increase of 25 per cent over 1972. Other major imports were base metals: \$134.2m, up 42 per cent; transport equipment (\$132.1m, up 37.2 per cent); and textiles (\$141.8m, up 21.8 per cent). Vegetable products were imported at a cost of \$129.8m, an increase of 22.8 per cent.

In 1973, Arab countries were still the major customers — just under \$147m went to them with Kuwait, Saudi Arabia and Libya the best customers. It was an increase of 15.6 per cent over the previous year. Exports to Western Europe more than doubled to \$137.2m, with the EEC Lebanon's second

best market. France was the largest customer within this group, followed by Britain. The United States bought \$147.23m and the 'Comecon' countries \$147.25m. This pattern remained substantially the same in 1974. Imports were worth \$147.31m in 1973, up 20 per cent on 1972. Chief exporters to Lebanon were West Germany, France, Italy and Britain. Imports from the United States were worth \$142.8m and from 'Comecon' countries \$142.8m. (Increases about 25 per cent in both cases). Imports from Arab countries increased by about 12 per cent to \$133.4m. Although there was a trade deficit for 19 (the \$147.48m), an increase of nearly 1/8 per cent over the previous year, and also a trade deficit in 1974, Lebanon has a substantial balance of payments surplus owing to favourable movements of invisibles and a trading position is essentially sound.



Cost of living

The price index rose 11.1 per cent in 1974 from 121.7 to 135.2 (1966 base equal 100), according to the Central Directorate of Statistics. That broke down as follows: food index up 16.6 per cent to 158.4; clothing up 13.8 per cent to 165.4; housing up 1.3 per cent to 106.4; miscellaneous goods and services up 6.4 per cent to 112.2.

However, it is widely felt that these figures understate

the seriousness of inflation which is also worrying foreign firms with headquarters in Lebanon. According to the index, neither medical nor education costs rose, but in fact big increases in fees were introduced during the year. The problem has been exacerbated by excessive liquidity brought about by the fact that Lebanon is the main repository of funds from oil-rich countries. Inflation is causing some of the most serious problems in the private and public housing sectors. It is very high. For example, asking prices were raised this year, resort developments have pushed up the price of a 11 per cent and the public square metre of land over the past two years from 50 to 100. It is expected to cost the Government \$1500; another example about \$12m.

shows an increase from \$135 to \$140 a square metre. Rents have risen sharply because investments in real estate are a safe haven for Arab money. So too with building materials: a ton of iron bars selling for \$1360 in 1973 rose to \$1590 a year later. Food prices such as eggs and vegetables were also affected, showing price rises of up to 25 per cent and 18 per cent respectively.

Because of inflation, pay in the private and public sectors was raised this year. The private sector by about 11 per cent and the public sector from \$1205 a month to \$1310. It is expected to cost the Government about \$12m.

Limited companies formed in 1974

Sector	Number of companies	Capital invested (\$100m)
Banks	17	105.00
Insurance	18	21.00
Trade	17	24.00
Industry	44	154.80
Real estate	14	94.10
Transport	3	2.30
Finance and management	19	48.50
Tourism	4	2.80
Publishing	1	2.00
Total	137	454.55

Consumer price index in Beirut, Sept 1974 (base 1966 = 100)					
	1970	1971	1972	1973	1974
Foodstuffs	111.0	113.9	123.8	135.8	143.1
Clothing	115.0	124.4	132.2	145.3	148.5
Housing	103.2	105.6	104.9	105.1	106.8
Miscellaneous	103.8	102.2	102.9	105.4	114.4
Total	107.7	109.4	114.8	121.7	125.5

Source: The Arab Economist

Limited companies

Twice the number of 118,175,000 — and this fell back still more in 1968 to 36,550,000 in 1973 to \$154,650,000 last year. Of the 127 new companies, investment in banks reached \$105m; these are medium and long-term credit banks which have been encouraged recently. Industry has increased by leaps and bounds, and invest-

ment increased from \$154,650,000 in 1973 to \$154,650,000 last year. While the number of new companies increased from 18 to 44, this is largely due to efforts on the part of the Government but much has been done in the way of diversification of industry.

Insurance companies, too, showed a big increase; from nine to 18 (one of the dangers facing them is precisely this proliferation). And capital increased from \$141m to \$147m. As far as trading organisations are concerned, while only two more were registered than the previous year (up to 17 from 15 in 1973) investment increased from \$11,900,000 in 1973 to \$24,200,000 in 1974. Finance and management companies also increased from eight to 19 companies in 1974, with investment totalling \$148.5m (up from \$136.8m in 1973).

Stock market

The most active stocks

Name	Volume of transactions	Shares exchanged	Daily average	Number average position
Ciments Libanais	9,512,765	58,361	21,085	129
Eternit	7,167,384	45,363	21,759	138
Casino du Liban	6,385,420	38,466	62,085	314
OKAL	4,845,715	37,857	42,393	331
Ciments Blancs	3,923,441	27,826	12,348	88
Fin Im Port	3,250,300	25,002	11,091	85
La Kadicha	2,784,709	20,548	13,886	102
GFL	2,032,940	25,733	11,634	147
ABC	1,991,578	14,998	27,380	247
Gest et Exp du Port	1,500,467	17,655	8,014	94

Source: Le commerce du Levant

Activity in the Beirut stock market was favourable for the first four months of 1974, but then a series of incidents served to reverse the process and figures for the whole year indicate that transactions fell by 4.86 per cent compared with the previous year — from \$151.62m to \$144.91m. Similarly, the number of shares traded dropped by 19.2 per cent, from 353,966 to 275,267.

The factors adversely affecting the market were the prolonged problems of the international monetary scene, in which foreign currency was weak against the Lebanese pound; intervention by the Central Bank in the exchange market to rectify this, leading to changes in quotations and a raising of the interest rates on the Lebanese pound; the appearance at the end of the year of Israel threats and increases in the price of petroleum and some raw materials.

However, capitalization rose from \$149.1m in 1973 to \$154.7m in 1974, an increase of 3.72 per cent. The profits of joint stock companies, particularly electrical, industrial and investment concerns, increased in 1974; further improvements on the stock exchange are expected this year.

Among new developments are the investment of some Arab oil funds in Lebanon and an increase in the capital of certain joint stock companies such as Ciments Libanais, Eternit, OKAL, Ciments Blancs, Soliver and Lediton. The stock exchange committee is studying the applications of new entries to the market such as Unicem, Hilton and Eden Rock.

OKAL and IDF may be exempted from income tax in accordance with an official decree. New legislation aims at reducing the maximum tax level from 45 per cent to 25 per cent on joint stock companies.

Banking

Lebanon's preeminence in the field of banking has been well documented. It derives from the transfer of money to Lebanon from Cairo to the Bank Secrecy Laws which initiated the 'World Bank' as numbered accounts; thus making Beirut a haven for capital from many different Arab sources. Lebanon's position has been strengthened by injections of money from neighbouring oil-rich states. Almost uncontrolled growth of this sector culminated in 1966 in the crash of the largest Lebanese bank, the Libanese Bank, which led to a reform of the banking system. Since then a minimum capital of \$100m is required to set up a new bank and the trend has been towards foreign takeovers of banks.

In the early 1970s, deposits rose from \$13,357m to \$16,235m by the end of 1972 and, as no opportunity existed, a problem of excessive liquidity arose. However, foreign loans, which doubled in the 1960s, began to be used in 1973 to absorb some of the liquidity. By the end of 1974, deposits had reached \$16,235m, including a \$1,750m loan from the 'World Bank'. The Lebanese currency deposit abroad were reinvested in foreign currencies.

Banking activity as a whole in 1974 was less momentous than in 1973 despite a record increase in the total balance sheet. This moderation was largely due to the credit restricting activities of the Central Bank. Nevertheless, Lebanon is now, despite the advantage of a record increase in the total balance sheet, facing competition from other countries. With rapidly expanding telecommunications, other Middle East centres may soon be in a position to rival Lebanon's advanced communications and public services networks. To remain competitive, therefore, a law has just been passed setting 'free zones' to attract loans, which doubled in the 1960s, began to be used in 1973 to absorb some of the liquidity.

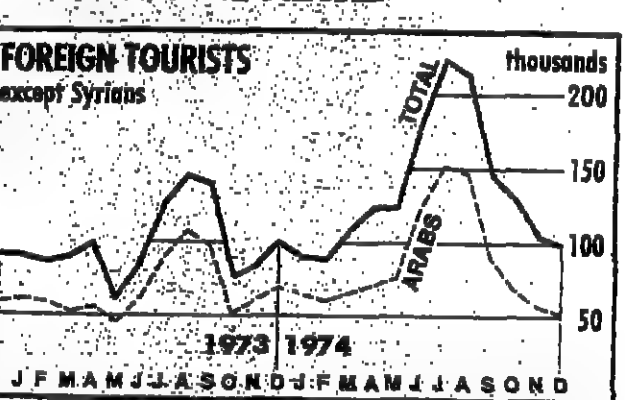
General

Area: 10,400 sq km
Population: 2,900,000
Main towns: Beirut, capital (800,000) Tripoli (150,000)
GDP 1971: \$1,840m

Growth rates: Annual average increase in per capita gnp 1965-71 0.8 per cent
Annual average increase in population 1965-71 2.8 per cent

International liquidity	Dec 1972 (\$m)	Nov 1973 (\$m)
Gold reserves	350.0	389.5
Foreign exchange reserves	194.5	482.9

Tourism



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IT CAN HAVE MADE HER DO IT?

emergency in India surprise and a shock. It is a severe action been taken by Mrs. Gandhi.

She speaks of a "widespread conspiracy" of "forces of disintegration" and "passions aroused" and "challenging der throughout the country".

conviction on charges of electoral offences, though that may have been a good. Nor can one point only to the growth of opposition that has coalesced in the mass movement under Mr. Narayan's leadership. This is still far from being a national movement.

And if it is to take one of her more precise charges yesterday—there are within this opposition those who have been inciting mutiny among "army and police" then action could be taken against them without such sweeping gestures as will now inhibit the country's political life.

Perhaps it is inevitable that in the democratic leadership of a country as complex politically as India the management of power will tend to take precedence over policy. Certainly after her first five years in office a change was perceptible in Mrs. Gandhi's style of leadership. This change followed on the success she enjoyed by India's intervention in the war in Bangladesh and by the elections that followed when Congress was returned to power with a handsome majority after a period of decline.

Mrs. Gandhi's own authority in the party then seemed beyond question and her confidence was much enhanced. Indeed, a certain ruthlessness was apparent, while in external matters India's new strength naturally affected her view of the sub-continent.

Only now India may really have reached a turning point. The measures Mrs. Gandhi has taken promise to lead her further than she may wish or be able to control. The arrests of MPs include dissident members of Congress; others in the party will sympathise with them. Most of those holding power may, however, close ranks in her support. It can be said that however justified criticism of Congress rule and Mrs. Gandhi's leadership may be there is no speck of promise of anything better on the India political scene. This crisis will probably do something to change it.

But what do the moves of Mrs. Gandhi and her Congress followers tell us about that condition? There are those who argue that the politics of the capital in New Delhi and the vigorous battles for power in each state (such as the recent elections in Gujarat) swing back and forth with little effect on the Indian masses. The reforms that would affect their lives are talked of but rarely put into effect. And when opposition parties find themselves in power in the states their record is shown to be no better than the Congress Party. Most of the charges now being made against Congress by the opposition are no different than could be made against many politicians in the opposition parties.

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THREAT TO THE MINING MEMBERS

will rule today threat from the miners to stop some of their MPs who are the union line is the Committee of But whatever his be, there can be at this attempt to put MPs subject to an outside interest contrary to the of Parliament.

argued that as a "silly" decision to suspend for Parliament.

organization and

sence, so it must be to withhold that support.

It cannot be a principle, that ignored MP always a P.

"Till death us part" be the hope but

the right of any Parliament. Nor

reasonably be maintain a trade union had

it had sponsored

go on doing so until

acted either by the

by his constituency

"That would be a

obligation on trade

does not rest on any

interest group.

manner in which

given or withheld

least importance to

Parliament. The

element of pressure

to be free to do the

job for which he was elected by his constituents, not all of whom will be members of the interest group concerned. Members who enter into arrangements to receive financial assistance from associations of constituents or other outside bodies are expected to ensure that the arrangements do not involve any kind of control over the freedom of the member concerned. This statement of the constitutional position was given by Sir Barrett Cocks, then Clerk of the House of Commons, in a memorandum to the Committee of Privileges in July, 1971, when the Committee was considering a complaint that Mr. Alex. Kison of the Transport and General Workers' Union had threatened to withdraw financial support from pro-EEC MPs.

The Committee did not uphold the accusation and therefore had no cause to rule whether such action would have been a breach of privilege. This was but the latest in a series of cases where it was alleged that unions were bringing improper pressure on sponsored MPs. In July, 1968, the sitting member for Luton, Mr. J. H. Davies, resigned from the Deacons' and Allied Technicians' Association when the general secretary called on branch secretaries to review the sponsorship of MPs who consistently supported the Government's policy on prices and incomes. The year before the TGWU declared that its sponsored MPs risked losing union financial support if they did not back union policy on the same issue. But neither of those cases was raised in the House as a matter of privilege. In the case of Alderman Robinson in 1944 and Mr. W. J. Brown in 1947 the Committee of Privileges did not find that improper pressure had in fact been exerted.

So there is not, as it were, a definitive body of case law on this question. But the general principles of what is and is not for the good of Parliament are clear enough. In recent times the House has shown itself alive to the danger of members acting improperly on behalf of special interest groups. That is why steps are being taken to ensure the more effective disclosure of members' financial interests. This is not something that relates only to sponsored MPs by any means. Indeed, there is no problem over the actual disclosure of sponsorship by trade unions. But the same principles apply to the relationship that MPs may have with trade unions, financial institutions, property companies or whatever: it is acceptable only so long as it does not conflict with the duty that an MP owes to his constituents.

Mr. Scargill's rules were applied the sponsorship of MPs by trade unions would no longer be compatible with the principles of parliamentary democracy.

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Mr. Scargill's rules were applied the sponsorship of MPs by trade unions would no longer be compatible with the principles of parliamentary democracy.

designed to give worthwhile services at good value to Londoners. Given such a state of affairs the GLC really could play a positive and useful role in tackling the almost insurmountable problems facing the largest and most exciting conurbation in Europe.

The London Government Act of 1963 was defective in that it did not provide for any review of the way in which it was functioning. Last February I said publicly that I would call for such a review and this will be done soon. But notwithstanding all that has passed, I firmly believe that there is an immense contribution a truly strategic GLC can contribute to the future of London.

Yours faithfully,
HORACE CUTLER,
County Hall, SE1,
June 24.

Pocket boroughs.

From Mr. M. R. Nathan.

Sir, Several of your correspondents have referred to the necessity for restoring the sovereignty of Parliament by improving the quality of the members, but none has mentioned the evil of pocket boroughs. It is not generally realised that a high proportion of candidates for safe seats are nominated, mainly by trade unions, a situation reminiscent of the 18th century. Any programme for electoral reform must cover this.

Yours faithfully,
M. R. NATHAN,
2 Rossetti Mansions,
Palace Street, SW1,
June 20.

Measuring student living standards

From Mr. J. Geoffrey Aspin.

Sir, You gave me pleasure to the Vice-Chancellor of Strirling University on behalf of students whose parents refuse to contribute their share of a partial grant but it is surely distressing the case to say that "the very prudent student on a full maintenance grant can just manage if he obtains vacation employment". The picture of undernourished "poverty" needs modifying in the light of comparative facts.

This year's grant of £625 will increase to £750 next year for 30 working weeks. Most students have free accommodation and food at home for the remaining 22 weeks of holiday, during which time they are regarded as officially unemployed and are paid sums in the region of £7 a week in social security benefits. Thus, a student without vacation employment will have a tax free income in the region of £100 per annum to which travel allowances and tuition fees are, of course, added as extras.

This is hardly "poverty" in our society where an unmarried person supporting himself and a married man supporting a wife and a home are deemed wealthy enough to pay tax when their incomes reach £675 and £955 respectively.

Least I should be accused of having real knowledge and experience of students' circumstances, perhaps you would allow me to add that I have been a university student on a grant, a lecturer living among students for seven years and now the parent of a university student who, in his turn, is fair minded enough to acknowledge that he can manage very well on the present provision.

Yours faithfully,
J. GEOFFREY ASPIN,
11 Harschel Road,
Little Sutton,
Cheshire,
June 23.

From Dr. M. H. Hughes.

Sir, The Principal of the University of Strirling refers to the difficulty of ensuring that parents contribute to their children's maintenance at universities. In this perhaps due to the absurdly unfair method used for calculating the "parental contribution" which is deducted from the grant?

The assessment is made on the parents' gross income before tax. Some of this is retained by parents living on the income from their invested savings or what is left of them after inflation has eroded their real value, mostly taxed at 50 per cent or more, may well find difficulty in financing their children's education unless they do so out of capital. Surely the parental contribution should be related to ability to pay, i.e. to net income after tax.

I am, etc.
MARK HUGHES,
Turret House,
University Park,
Bathampton,
Hampshire,
June 23.

Education vouchers

From Mr. Alan Magnard.

Sir, Your account (*The Times*, June 11) of the then Education Secretary's negative response to the suggestion of experimentation with education vouchers shows a degree of ignorance which is rather alarming. My argument that vouchers would favour the more articulate and enterprising families at the expense of those less informed and less well off is naive. It presumes a type of voucher which is inappropriate for the Government's aims.

As I have pointed out in my evidence to the Layfield Committee of Inquiry there is a range of feasible voucher schemes to choose from and their potential impact on the provision of education and the distribution of resources differ substantially. To suggest that the scheme I proposed would be a waste of resources is nonsense.

We do not know what the outcomes of particular schemes would be. We need to experiment with alternative schemes in varying environments and to compare these outcomes with the present system. I am sure that the Government is undertaking the debate will remain at the emotive and confused level epitomized by the then Secretary of State's response, and a potentially rewarding avenue for policy will remain unexplored.

Yours faithfully,
ALAN MAGNARD,
University of York, Department of Economics and Related Studies,
Heslington, York.

Sharing a garden

From the Reverend Tony Crowe.

Sir, In Charlton there are a number of elderly people, mostly on pre-war council estates, who find their gardens too much for them. Nearby flat-dwellers who would love to have a garden in which to grow vegetables.

A garden sharing scheme could break down barriers between the young and the old, and provide work and fun in a time of growing unemployment and rising food prices. How can we launch a garden sharing scheme?

Yours faithfully,
TONY CROWE, Rector,
Charlton Parish Church of St Luke and St Trinity,
67 Charlton Lane, SE7.

Air lingo

From Mr. R. W. Holder.

Sir, Familiar as I am with the Germanic misuse of English adverbs, I was none the less amazed to be told in Calgary last week as I sat in an aeroplane, that we were about to take off momentarily for Toronto.

Happily this gloomy prediction was not fulfilled. We took off presently, travelled hopefully and arrived safely.

Yours faithfully,
R. W. HOLDER,
The South Plantation,
West Monkton,
Taunton,
Somerset,
June 17.

LETTERS TO THE EDITOR

Israel and Lord Moyne's assassins

From Lord Rothschild, FRS.

Sir, I voice the feelings of a vast number of British Jews and non-Jews, who are well disposed towards Israel, in expressing a sense of outrage at the behaviour of the Israeli Government if, as reported in *The Times* today (June 26), the Jewish terrorists who assassinated Lord Moyne were honoured by members of the Government of Israel.

Reasonable people of all nationalities, religions and political persuasions reject the doctrine that "the Jews are a chosen people" and that this particularly applies to terrorism, a disease which greatly affects the civilized world at the present time and which all civilized people utterly condemn.

Israel is by no means the only country which appears to condone terrorism. But standing, or purporting to stand, as it does, for adherence to the law, international law and the most famous Commandments ever promulgated, their behaviour in this case is a source of indignation to all those who believe in justice, freedom.

Yours truly,
ROTHSCHILD,
11 Harschel Road,
Cambridge,
June 26.

From Mr. Maurice Samuelson.

Sir, Your editorial comment about the bodies of Lord Moyne's assassins struck me as premature and inconsistent. Surely it would have been better to wait until the Israeli leaders had publicly reacted to the event before comparing them to the terrorists of a previous generation of Jewish leaders.

You also overlooked the fact that many of the present Israeli leaders were associated with the Haganah which, immediately after the assassination, cooperated with the British authorities in rounding up the terrorist organizations.

A more telling comparison would have been between the deep and widespread sense of Jewish shock in 1944 and the ill-concealed delight of nationalists in the war-time Egypt, which included pro-Nazi activists like Anwar Sadat.

The two Jewish terrorists were defended by three of Egypt's nationalist barristers, and Winston Churchill—as the memoirs of the late Lord Kesteven confirm—exerted powerful pressure on the Government of Maher Pasha to ensure they were hanged, thus making them "martyrs".

The reaction of Gamal Abdel Nasser, then an unknown officer, has been recorded by his biographer, J. Lacouture. This and the subsequent hanging of the two young men haunted him for a long time, and he spoke of it to his own people "Here were men ready to die

for their cause, who hold up an example to us" (*Nasser*, p.365, Secker and Warburg).

A similar impression was made on Major A. W. Sansom, MBE, who, as Chief British field security officer in Cairo, apprehended Hakim and Beit-Zuri and attended their trial and execution incognito. "The only persons who came out with any credit were the men who were hanged." (*Spied Spies*, p.181, Harrow).

If the man responsible for Lord Moyne's safety could make such a gallant statement, why should you now voice undue resentment at the natural emotions in Israel? The killing of Lord Moyne, who was perhaps less anti-Zionist than his detractors suspected, must remain on the Jewish conscience. But Britain's own conscience must remain uneasy about the hundreds of refugees from Hitler who drowned in the sea because her officials would not admit them to the Jewish national home.

Yours sincerely,
MAURICE SAMUELSON,
21 Greenfield Gardens, NW2,
June 26.

From Mr. A. Badini.

Sir, It is both ironic and significant that while Lord Moyne was the forefront of the world struggle to defeat German Nazis, he was brutally assassinated by the very people who would have been their first victims.

As an Egyptian lawyer who has thoroughly studied the case of the two Stern Gang assassins, namely Eliahu Hakim and Eliahu Beit-Zuri, there is no doubt in my mind that they were only motivated by his refusal to consider secret negotiations with German Nazis. Richman, the notorious war-criminal who was later on executed in Israel, offered to release a number of European Jews held in concentration camps in exchange for some extremely valuable strategic war materials.

Had the British Government accepted such an unprecedented deal their action would have most certainly imperilled the world delicate alliance against Nazism and extended the bloodiest war in man's history for an unknown period of time. It is safe to say that the cure for the world as a whole could have mounted, in terms of human lives, to several millions.

The nationwide commemoration of the said Stern Gang terrorists in Israel recently reported in *The Times* is, however, a timely reminder of how terrorism worship was initiated in the Middle East.

Yours truly,
A. BADINI,
76 Andover Road,
Orpington,
Kent,
June 26.

Inflation: need for drastic action

From the Rev. F. Steadman.

Sir, I would like to speak for some ordinary citizens about inflation. I grew up a miner's son in the Great Depression and have naturally been interested in ways of preventing it from happening again. I was, therefore, a rather distant fan of J. M. Keynes, but I have watched sadly over the years as he has been misunderstood and his theories misused, as it seems to me.

Keynes offered mild inflation as a cure for unemployment, and explained why it would work. There were certain prior conditions without which it would not work.

First, a substantial fraction of the population should be concerned about money wages, and not about their real value.

Secondly, businessmen should judge and be judged by the return on capital as calculated by conventional accountancy.

Thirdly, investors should be happy with the apparent rate of interest and should not inquire too closely into the real rate of interest, which is often negative.

In other words, as long as the main parties in economic life were content to fool themselves just a little inflation would work the cure for unemployment.

Progressively in the past 10 years or so these conditions have almost vanished. There is no substantial fraction of people left to absorb inflation—only pensioners who have no choice.

Unfortunately politicians of the moderate centre—from both sides—still seem to favour mild inflation as a matter of policy. The extreme left encourages them to continue so because they wish to use inflation to destroy society as we know it.

Surely most people do not want our society to be destroyed, and it can only be saved if there is an arbitrary and drastic curb on wages and prices. I feel sure that the country would vote in favour of action which affected everyone at once.

I would be for experts of all kinds to devise first a moratorium, and then machinery for achieving justice without fooling ourselves. There are many precedents for such machinery, none so far permanently successful, but that is not a good reason for giving up trying.

As I understand it there would have been a Keynesian remedy for our troubles as they have developed, but no government has known how to use it or been willing to. We should have tried to ensure at all times that the rate of interest in real terms was positive. The chance to do this was thrown away by Mr. Dalton with his cheap money policy after the war, and it has become steadily more difficult to achieve a positive real rate of interest and it is now quite out of the question. Where can you get 30 per cent?

Hence the need for arbitrary action and a fresh start.

Yours sincerely,
F. STEADMAN,
The Vicarage,
Willaston, Wirral.

From the Headmaster of Gorton School.

Sir, Mr. Benson and Mr. Preston in their letter of June 16 suggest that income tax has become a matter of social punishment. Isn't income tax on salary more correctly regarded today as industrial punishment and

shouldn't it be published as such?

If in 1979 it will require £107,341 (their figure) to provide a net income of £10,000 (which applies equally to either a coalminer or the chairman of a nationalized industry) wouldn't it be better to publish the salary thus: Salary £10,000; tax on industry £97,341?

I submit that this method of publishing salaries is relevant to 1975 and that the present system of reporting salaries and wages disguises the true situation. Governments are enriching themselves by subterfuge and it is the consumer ultimately who foots the bill. The truth needs to be told.

Yours faithfully,
JOHN KEMPE, Headmaster,
Gortonwood School,
Eggleston,
Morayshire.

Indexation

From Mr. Christopher Jackson.

Sir, May I show the effect of "doing a Mr. Healey" on last month's 4.2 per cent rise in the retail price index?

My secretary earns about £2,500. If the 4.2 per cent monthly inflation were to continue and her pay were directly indexed to this she would be earning £10,994 pa in three years' time; £348,390 pa in 10 years' time; and shortly before her retirement in 30 years the creditable sum of £6,765,734,950 pa. Hyperinflation indeed! and no doubt she would be worse off as well.

Yours faithfully,
CHRISTOPHER JACKSON,
3 Riverview Mansions,
Clevedon Road,
Twickenham,
Middlesex.

MPs' salaries

From Mr. Roger Beck.

Sir, The simple solution to the financial plight of MPs during periods of rapid inflation, as discussed by David Wood in your issue of June 23, would be for their salaries to be indexed to the world value of the pound sterling. If nothing else this should encourage them to defend it.

Yours faithfully,
ROGER BECK,
Coppstone Cottage,
Brifford,
Nr Exeter, Devon.

Flat rate pay rises

From Mr. D. A. Alexander.

Sir, Would those proposing a unitary flat-rate wage increase as being "fair" agree that "fairness" also requires the increase to be tax-free in order that everyone should actually receive an equal amount of money?

Yours faithfully,
D. A. ALEXANDER,
1 Games Road,
Cockfosters,
Barnet, Hertfordshire,
June 24.

Floating pound

From Mr. David Mitchell.

Sir, Why do they call it a "floating pound", when all it does is sink? Yours faithfully,
DAVID MITCHELL,
Hollingsworth House,
Tydd St Giles,
Cambridgeshire.

Sentencing policy in rape cases

Sir, Mr. Playfair may support Judge Humphreys in his "calculated risk" in releasing the eighteen-year-old youth involved in the recent rape trial (*Times*, June 25). Does Judge Humphreys take into his calculations the fact that as one of the victims of this man, must continue to live within 100 yards of his home? Who will protect not only me but other women should this risk prove to be a miscalculation?

Surely not British Justice.

Yours faithfully,
MRS X,
June 25.

Contrary to his practice of not publishing anonymous letters, the Editor has allowed this form of signature since this was how the writer (whose name and address are known to him) was referred to during court proceedings.

From Miss Lois Lang-Sims.

Sir, In connection with the case of suspended sentence for rape, your correspondent Giles Playfair has made the decisive point (June 25), i.e. that the young man in question would be more, not less, likely to repeat the offence after a spell in prison with all the degradation, not to mention sexual frustration, involved in this experience.

Another important aspect of the case must not, however, be overlooked. It is part of the function of a judge to make an assessment, based on his experience in dealing with his fellow human beings, of the character and potentialities of the one being judged. Judge Humphreys took the wise course and countered one another face to face. The judge, after watching and listening to the young man, was surely in a better position to judge him than those who neither saw nor heard but cannot restrain themselves from condemning him at a distance.

A little more reliance about the place would do us all a power of good. The Christian quality of Mercy (which is not strained) and the Buddhist quality of Compassion are alike contained within Justice.

Yours faithfully,
LOIS LANG-SIMS,
23 Guardian Court,
Faversham,
Hereford.

From Mr. Sebastian Payne.

Sir, I have read the report of Regina v. Mawlews, *The Times* newspaper, June 24, 1975, which is to the effect that except in special cases self-induced intoxication is still no defence to a criminal charge.

I now await with great interest the decision of the Court of Appeal in a case in which a self-induced drunk has, because of his alcoholic state, totally unreasonably but genuinely believed that the woman he is raping is consenting.

The course of law making in this country is becoming ever more exciting.

Yours faithfully,
SEBASTIAN PAYNE,
62 Little Road, SW6.

Ali-Bugner fight coverage

From Mr. Martin Wallace.

Sir, I am delighted that your diarist is so regular a listener to current affairs programmes on Radio 4, and that he gives them such frequent publicity.

However, if he must attempt satire at the expense of the *Today* programme (*The Times*, June 25), he should not mislead your readers. Desmond Lynam (or Languid, as PHS describes him) is in Kuala Lumpur as BBC Radio's boxing correspondent. He is a member of an sports staff and PHS (not long returned from reporting the "jamboree" of the Commonwealth Prime Ministers' Conference in Jamaica) does him an injustice by suggesting that he had been awarded his share of public-funded gravy. The fact that Lynam also presents *Today* on a regular basis is, if anything, evidence that the BBC tries to use its resources economically.

It may be an expensive trip to Kuala Lumpur, but *The Times* apparently thinks it worthwhile to send its own boxing correspondent, Neil Allen. In the same issue of *The Times* Allen draws your readers' attention to the heat and humidity, "which can turn a three-minute walk outside his (Ali's) air-conditioned Hilton Hotel into an instant shower." Perhaps PHS now satirizes Allen as he has unfairly satirized Lynam for similarly colourful and relevant reporting.

Your readers may also think that Lynam conducted a lengthy conversation with *Today* presenter John Timpan (or Trivial, as PHS describes him) about the girls of Kuala Lumpur. There was no conversation, but his report for *Today* (one of many BBC outlets he will serve during the coming week) contained a series of references to Buerer signing autographs for and talking to local admirers.

I suggest, Sir, that in the light of PHS's comments you should consider whether you need a new boxing correspondent or a new diarist. I know where I would choose to make the saving.

Yours faithfully,
MARTIN WALLACE,
Head of Current Affairs Group,
Radio,
Broadcasting House, W1.

How they salute

From Mr. J. B. D. Pagden.

Sir, The origin of the salute, whether naval or military, the feudal custom of doffing or (if the weather is hot or the wearer exhausted), tipping the headgear. Touching the forelock, if the head was not covered, was an acceptable alternative.

Oil companies prepare for a higher crude price, page 17

Counter-attack by City chiefs over alleged failures in investment role

Anthony Rowley

The City Capital Markets Committee yesterday hit back at criticisms that financial institutions bear a measure of responsibility for the low levels of industrial investment in the United Kingdom.

Chairman of the committee, Mr. John Fraser, deputy chairman of Lazard Frères, and representing leading providers of finance such as banks, insurance companies and pension funds, the committee rejected suggestions that worthwhile investment projects have been held up because City institutions have refused funds.

At the same time it counter-attacked the claim that post-war record of government intervention in British industry was poor, and that the general lack of confidence in the true reasons for the decline of British industry was sort of criticisms which Capital Markets Committee was refuting in its fairly lengthy statement yesterday.

Of the type that have been made by the committee, when he was Secretary of State for Industry, from Mr. Peter Hall, from the National Economic Development Office recently.

The committee accepted that the City had spent less on investment in industry than had its principal competitors, but it said that this was a true reflection of the fact that the City is not a source of funds for investment in industry, as high level international banks are.

It said:

"The large and medium-sized companies are concerned,

this committee, all active in the process of capital raising, know of no case in the last 10 years, with the possible exception of the crisis period from autumn 1973 to autumn 1974, where worthwhile investment projects have been held up for lack of funds.

"The situation which exists today is that banks have more funds available to industry than industry wishes to avail itself of. Any viable company wishing to raise capital by way of a rights issue is free to do so."

The committee said it was not part of the function of financial institutions or stockbrokers acting on behalf of private clients to promote investments which were not "worth while".

All these bodies, and particularly the pension funds and life assurance companies, would be in breach of trust if they attempted to invest their entrusted money unwisely.

In modern times, the great private capitalist responsible only to himself exists, as far as the United Kingdom is concerned, only in the realm of fiction.

When it was alleged that the City had failed to play its part in coming to companies' aid, what was really meant was that any particular company had failed to persuade the independent managers of other people's money that they should invest more of it in the company."

The committee endorsed the point made by the NEDO that the Government itself had pre-empted much of the fixed interest loan market, at the expense of industrial borrowers, by borrowing such large quantities of money at such high rates from the capital markets. Fiscal advantages also favoured government borrowing over industry."

Financial Editor, page 17

Fresh slump by sterling puts shares in retreat

By Terry Byland

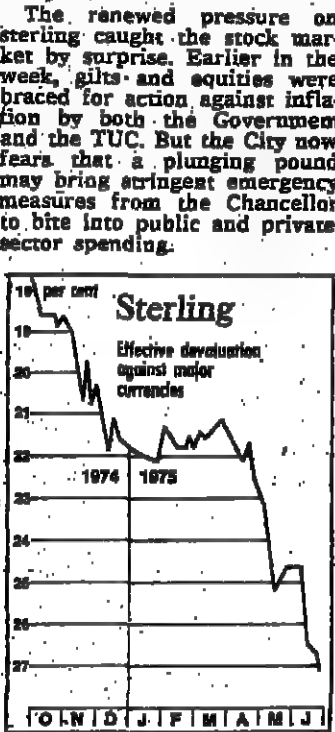
Severe pressure on the pound had both gilts and equities in retreat yesterday.

The equity market in particular was hit by a spate of nervous selling at mid morning which quickly wiped out the rally of the previous day.

Industrial, financial and property shares all fell sharply, while consumer stocks extended the losses of the past week. But selling died away before the close of business and many shares closed above their lowest levels.

The FT index plunged to 302.7 at 3 pm, and closed 9.9 points off at 303.8. The trading account ends today, and dealers were worried by the possibility of a slight increase in minimum lending rate today.

The renewed pressure on sterling caught the stock market by surprise. Earlier in the week, gilts and equities were braced for action against inflation by both the Government and the TUC. But the City now fears that a plunging pound may bring emergency measures from the Chancellor to bite into public and private sector spending.



Shipbuilders seek urgent talks with Mr Varley in an attempt to clarify government policy

By Peter Hill

Industrial Correspondent

Major problems face the shipbuilding industry, which is now seeking early talks with the Government in an attempt to hammer out a national policy for the industry. This follows uncertainty about the controversial plans for the nationalisation of shipyards, along with ship repairing and marine engine building companies.

Leaders of the industry yesterday were attempting to organize a meeting with Mr Eric Varley, Secretary of State for Industry, early next week to clarify the Government's attitude and policy for the industry.

Internationally, shipbuilding is in a parlous state. Although the British order book will provide employment for two to three years, there are real fears of substantial unemployment beyond that, since new orders are scarce.

It is already clear that Mr Varley and his officials will be pressed to initiate tripartite talks with management, unions and Government and to suspend some of the clauses.

These, it will be argued, are

impracticable in a period of turmoil on the international shipbuilding scene, and are also unjustifiable, given that the legislation for the extension of public ownership is now unlikely to reach the statute book for at least another year.

Shipbuilding remains opposed in principle to nationalization, but has said that it would be prepared to make it work. Now it has an opportunity to impress on the new Secretary of Industry its own ideas for an alternative.

The Government is expected to announce the reshaping of the Shipbuilding and Aircraft Industries Bill shortly, said Mr Cliff Baylis, director of the Shipbuilders and Repairers' National Association, said last night: "The possibility of a delay for a further year, without any sort of government policy for the industry, is very worrying indeed."

The industry, he pointed out, had already suffered from the uncertainty which had surrounded the Government's plans for the past 18 months or more. Morale within the industry was not being helped.

There was already evidence, he said, of some managers looking outside the industry for employment, while further uncertainty would not encourage confidence amongst foreign and domestic shipowners.

In the present market situation they were being even more selective in the placing of the few new orders that were around.

Mr Baylis pointed out that the industry faced twin problems of a disastrous market internationally and rapidly rising costs at home.

It was absolutely imperative that the United Kingdom be able to secure new orders in the first half of next year at the latest if the prospect of considerable unemployment was to be averted.

"It is patently clear that we in shipbuilding must begin talks with the Government, and hopefully with the trade unions, on measures which can be taken to ensure that the industry is kept reasonably occupied when the present order book is worked through," he added.

Earlier this week the

SRNA's president, Mr A. Ross Beich, called for immediate tripartite meetings to thrash out a satisfactory and sensible solution to the industry's problems. The long term objective of increased efficiency should be combined with the immediate problem of securing sufficient orders.

Despite the assurance by Mr Edward Short, Leader of the House, in the Commons yesterday that the Bill would receive "top priority", industry leaders are expected to press strongly for the suspension of certain clauses in the Bill in the interim. These include the provision covering the disposal of assets, and another under which directors could be held personally accountable for any decisions between the introduction of the Bill and its implementation.

Against the background of serious world over-capacity in shipbuilding, Mr Baylis said the industry required from the Government an unequivocal statement that it was prepared to safeguard the future of the British yards.

Monetary issues strain US relations with France

From Frank Vogel

Washington, June 26

Failure of the recent Paris meeting of Finance Ministers to reach agreements on monetary reform issues has produced new strains in United States-French relations, according to some American government officials.

These strains could go beyond the purely monetary area and have an adverse impact on international energy and trade policy developments in particular.

The latest United States-French arguments on monetary issues appear to have deeply angered the Department of State and created new tensions between it and the Treasury over the conduct of international economic policy.

The Paris conference of the International Monetary Fund and failed largely because of differences of opinion between the French and United States ministers.

Basically, the French wanted a swift return to a rigid exchange rate system, while the Americans demanded continued flexibility.

The French wanted the immediate lifting of restrictions on central banks buying gold, while the Americans refused to accept this only if tough regulations and limitations were enforced.

The French are said to be disappointed and frustrated about the outcome of the latest monetary conference and are believed to be annoyed about the tough conditions requested by the Americans for allowing central banks to buy gold.

After agreements on gold at the Franco-United States summit in Paris last December, the French did not expect America to be quite so intransigent on this issue.

The French are also believed to be deeply annoyed about the approach to the negotiations by the Americans, particularly the remarks made by Mr Jack Bennett, the United States under-secretary for monetary affairs, which suggested in advance of the meeting that the chances of agreements being reached were not good because of French attitudes.

Some officials take the French complaints lightly as bargaining tactics. But other officials maintain that the French anger is genuine, that it could dent the improvement in relations produced in Martinique and make it almost impossible for any agreement to be reached on the outstanding monetary reform issues this year.

According to some observers here the latest dispute and the remarks made by Mr Bennett before the Paris meeting were key factors in leading him suddenly to resign his Treasury post last week. He is said to have been rebuked by the White House.

Mr Bennett claimed that his resignation followed personal financial troubles, but some observers suggest that, if this was the sole reason, his action in leaving his post before a successor was found was inexplicable.

tate aid companies to be named

Source: Corbin

More than two years of partial secrecy surrounding special assistance comes to an end today when the Government begins naming the companies which have received state aid under the Enterprise Act, 1973, the principal concern, has since been disclosed that some 100 companies have been helped by state money, are Avon, United Glass, Plessey, Gas Appliances, and on Glass.

31 new applications for state aid have been received in the confidence, but Mr y has decided to keep a given by Mr Wedgwood his predecessor, to dis-

close information about grants and loans of more than £10,000.

The first batch of names, released today, covers just over £10.6m for which payments began in the period January 1 to March 31. At least one of the recipients, Tinsley (1973), the printing concern, has since gone into receivership, having been given £400,000 as a loan to preserve employment.

Avon Rubber, which has just reported a loss and has been cutting back its workforce, received a loan of £275,000 on the basis of a guarantee that increased employment would result from state aid.

Another enterprise to receive help was United Glass, half owned by Distillers, which obtained an interest-free

grant of £486,000. A sizable loan went to little known Independent Bakeries, which was handed £550,000 for creating new jobs.

The Plessey group was a major beneficiary, with a grant of £155,000 interest-free grant. Companies which obtained loans exceeding £10,000 included Torhouse Fisheries, James Marine Fittings (Durham), Sepkarn, Kilbellin, Sharna Wear (Mig), William Selley, Luke Anthony, Click Shelving, and Criddle Burgess Feeds.

The bulk of the demand for selective state aid under Section 7 of the Enterprise Act took the form of offers of interest relief grants.

Deadlock in Sheffield Twist bid

By Our Financial Staff

A deadlock was reached last night between the two bidders for Sheffield Twist Drill and Steel. Unless it is resolved soon the Takeover Panel, which reportedly finds the situation "unsatisfactory", is likely to intervene.

Neither Thorne Electrical Industries, which has indicated that it will make a cash offer valuing Sheffield Twist at £12.5m, nor SKF, which has simply left its earlier offer of £10.4m on the table, is willing to make the next move.

The panel is believed to be concerned simply with the position of Sheffield Twist shareholders, but with the uncertainty confronting the company which is faced with two bids and cannot know what its future will be.

Thorn, advised by Hambro, first said it would make a bid on the condition that SKF's offer was not blocked by the monopoly authorities on May 29.

When clearance was given Thorne countered the SKF offer of 77p with a bid of 85p and subsequently raised its indicated offer to 91p by buying Sheffield Twist shares in the market at that price.

But Thorne has said to send out an offer document, and while it is ready to do so, does not want to post it until it has seen whether SKF intends matching or bettering its bid.

Last night SKF, advised by Hill Samuel, simply extended its offer of 71p for a week, saying that it intended waiting for the Thorne document before making a decision on whether to compete. SKF sent out its formal offer on May 22 before Thorne intervened.

Siege Estates auction disappoints the market

By Gerald Ely

An auction yesterday of Siege Estates property portfolio, in which some 37 lots were to be offered to help the group in its bid to raise £250m, disappointed the market.

The auctioneer announced he had been instructed not to accept less than £5.75m.

A series of properties in the Farringdon Road area of London with development potential, for which the auctioneer suggested opening at £3m, also attracted no bids.

Auctioneers were Knight, Frank and Rutley and Allsop and Co. Later, Mr Peter Davies, managing executive of Siege Estates, in which the Stern Group, also in financial trouble, has a 50 per cent interest, said the sale had obviously been very disappointing.

"I shall now meet the secured and unsecured creditors who are still locked into the company, and after discussing the sale we will see where we go from there," he said.

Restraint call by Bank Governor

By Tim Congdon

A call for "some form of effective restraint" over pay and prices was made yesterday by Mr Gordon Richardson, Governor of the Bank of England, at the Netherlands-British Chamber of Commerce lunch in Rotterdam.

"Our inflation is now almost entirely self-inflicted," he said. It was the result of wage and salary increases far beyond the capacity of the economy.

Mr Richardson expressed scepticism about allowing the accession to curb inflation. In Britain were to rely simply on impersonal economic forces the costs to us all in prosperity and employment might be very high indeed, he said.

Nevertheless, he was confident. "We will get our inflation rate down: it would be quite wrong to extrapolate recent trends as an indication of what next year will show."

Mr Richardson also argued in favour of a basic reduction of economic activity. It was necessary, he suggested, to strengthen the balance of payments and domestic investment at the expense of public and private consumption. This was not an easy task, but one which I am sure can be accomplished," he said.

Application for hypermarket

A joint hypermarket company formed by Sainsbury's and British Home Stores has submitted its first planning application for a 130,000 square foot store on the outskirts of Colchester.

Sainsbury's already has a 14,000 square foot supermarket in Colchester town centre which will continue in operation.

The planned hypermarket would have a selling area of 90,000 square feet, parking for 1,250 cars and a filling station. The 16 acre site is at Stanway at the intersection of the old A12 and the new A12 by-pass.

r Scanlon wins pay vote against spirit of TUC plan

W. Shakespeare

Under the background of a U.C. developing plan for a wages policy and flat pay increases, the vote of some three million seafaring and shipbuilding workers yesterday gave notice of their employers that they would be fighting their wage demands.

The annual policy-making conference of the Confederation of Shipbuilding and Engineering Unions at Hastings yesterday carried a motion by Mr Hugh Scanlon, leader of the amalgamated Engineering Workers, which authorized its national leaders to lodge claims for substantial wage increases minimum time rates for skilled engineering and shipbuilding workers and pension increases for other workers.

Significantly, the vote came to the conference that the motion, if carried, would be contrary to the spirit of the scheme which is being offered by the TUC and to his own union has expressed the strongest disapproval.

Scanlon said it was quite possible at the present time to firm figure on what substantial increase should be said: "Who knows what ruin will be in January when the claims are submitted? Who can say what will happen as a result of the debate in the TUC General Council or further decisions or actions taken by the Government?"

Scanlon asked the conference to leave to the union chairman of its engineering committee to decide the details of the claims. But I make a strong argument the present level of basic in engineering were far below the present agreement killed rate will be next

year become £42 for 40 hours, with lower rates for semi-skilled and unskilled workers. He said that there must be now a determined effort by the unions to raise these basic rates for all.

He accepted his share of the blame for the fact that they were so low and said there had in the past been perhaps too much emphasis on plant level bargaining at the expense of national minimum rates.

Mr Scanlon said he believed that the campaign to improve minimum rates would be in line with the policy of improving the lot of "low-paid workers" which was now being advocated since he regarded engineering as a low-paid industry.

He also made it clear to the conference that the motion did not in any way change the policy of the confederation of leaving it to shop stewards to press for further improvements in pay and conditions at plant level. They would remain free to do so.

The motion was seconded by Mr Dan McGarry of the Boiler-makers' Union, who is chairman of the confederation's shipbuilding committee and has throughout been a staunch supporter of the social contract. The motion was carried without debate.

Immediately after the vote on Mr Scanlon's wages motion the conference carried another, also sponsored by the AUEW and seconded by the Transport and General Workers' Union. This authorized the confederation's negotiators to make immediate application to the Engineering Employers' Federation—which covers some 5,000 firms—which about 1,500,000 workers—for a reduction in the basic working week from 40 to 35 hours, and a minimum of five weeks' annual paid holiday.

Both Mr Les Dixon of the AUEW and Mr Moss Evans of the Transport and General Workers' who moved and seconded this motion said that it was essential for the unions to pursue vigorously the shorter working week as a means of tackling unemployment.

\$1,051m American trade surplus

From Our United States Economics Correspondent

Washington, June 26—America's trade surplus big improvement in its balance of trade last month with a surplus of \$1,051.7m (about £410m) compared with a surplus of \$556.8m. This was the fourth consecutive surplus, and as in previous months the main cause was a decline in oil imports.

The Department of Commerce reported that, in cash terms, oil imports declined by 21.3 per cent last month. Exports of oil imports to rise again in the coming months as the economy gains in strength, but the latest surplus should help towards an improved overall payments position this year.

The latest figures show that exports in May declined by 5 per cent to \$8,145.1m, but imports fell 11.5 per cent, largely because of oil, to \$7,093.4m. In the last four months exports have declined by an average of 3.5 per cent, but imports have fallen by 6.3 per cent.

These encouraging trade figures, together with the general improvement in the inflation rate, could strengthen the exchange rate for the dollar in international markets. The trade surplus in May was much greater than had been expected.

While there are fears that a deterioration in the trade picture will emerge as the economy strengthens in the second half of the year, the recent improvement of new oil import tariffs could to some extent slow the rise in oil imports in May. The latest figures show that the volume of oil imported fell by 42,000 million barrels, while the average per barrel price fell to \$11.57 from \$11.75.

The Department of Commerce reported that the trade surplus for the first five months of this year was now \$3,695.3m, with exports for this period on a seasonally adjusted annual basis of \$19,471.6m, or about seven per cent above the level for the calendar year 1974.

US indicators up, page 16

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US indicators up, page 16

How the markets moved

Rises		Falls	
Alloyed	6p to 64p	Ass Port Cement	8p to 133p
Avon Rubber	2p to 34p	Barley	5p to 27p
Broken Hill	10p to 215p	Boats	11p to 205p
Broken Mines	8p to 38p	Commodities	5p to 115p
Baker Perkins	2p to 36p	Distillers	10p to 132p
First Re-Invest	10p to 25p	Flours	10p to 37p
Wellcom	30p to 47p	GEC	5p to 117p

NBS News	2p to 39p	Hawker Siddeley	8p to 252p
Philips Lamp	15p to 77p	Imp Chem Ind	6p to 259p
Rio Tinto Zinc	10p to 181p	Lloyds	13p to 220p
Selection Trust	15p to 58p	Lawdon	1p to 5p
Tecalemit	30p to 33p	Midland	10p to 138p
Wellcom	30p to 47p	Royal	13p to 284p
		Vickers	2p to 126p

Steel	fell by 125 points to 32,230	Commodities	Copper and tin rose yesterday. Rubber and oil fell.
Gold	declined by 25 cents to \$164.25 an oz.	Equities	fell sharply.
SDR-S	was 0.554104 while SDR-E was 1.24269 on Thursday.	Glit-edged securities	were easier.

Reports, pages 18 and 19

FT index: 303.8 -9.9
The Times index: 129.97 -2.99

THE POUND	
Bank	buys
Australia	1.75
Austria	38.50
Belgium	81.00
Canada	1.34
Denmark	12.50
Finland	8.10
France	9.10
Germany	5.40
Greece	67.75
Hong Kong	11.00
Italy	1450.00
Japan	685.00
Netherlands	5.55
Norway	11.25
Portugal	55.50
S Africa	1.93
Spain	127.25
Sweden	9.46
Switzerland	5.75
US	2.29
US dollar	2.29

Rates for bank notes only, as supplied by the Bank of England. Bank of England rates for travellers' cheques and other foreign currency business.

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Batteries · Pharmaceuticals · Cosmetics · Dietetics
Light & Power · Environmental Protection

Varta Report 1974

Varta AG is the holding company for the group which comprises Varta Batteries, West Germany's leading specialist producer of accumulators and all types of electrical batteries: Busch-Jaeger, with its subsidiaries and now Byk Gulden, Milupa and Mowon, manufacturers of a range of pharmaceuticals, dietetics, cosmetics and technical products; and Ceag, which produces equipment for light and power as well as for environmental protection.

Sales

Varta AG increased its world-wide sales by 16.8 per cent —to a total of DM 1,589 million (at current rates about £324 million).

Consolidated German domestic sales and exports increased by almost 17.4 per cent to DM 1,269 million (about £244 million).

Export alone grew by almost a half, thus bringing their share of total turnover to 21.2 per cent.

Profits

The group's profit on consolidated domestic sales was DM 21.4 million (about £4 million).

Dividend

A dividend of DM 7 on each DM 50 share was voted by the general meeting, increasing the total amount distributed by more than one million DM to 21.7 million (about £4 million).

Personnel

The group employs worldwide 21,040 personnel of which about one third work outside Germany.

For a copy of the English version of the annual report, please write to Frank Law, Chairman, Varta Group, Varta House, Hanger Lane, London W3 1EH.

VARTA Aktiengesellschaft,
Bad Homburg v.d.H., Federal Republic of Germany

Printing: Men, Machines, Management

Newspapers and the case for government aid

By Derek Harris

British newspapers, under pressure on many fronts but not a dying or bankrupt industry, could be greatly helped by government loans, possibly interest-free, to be repaid from savings they achieved with the many technological advances now available to the industry.

It would help newspaper managements to overcome the inevitable human problems of redundancy with retraining grants, leaving grants, pension schemes and whatever other methods were appropriate.

This suggestion was made by Mr. Duke Hussey, managing director of Times Newspapers, in the opening speech of the conference.

After Mr. Jocelyn Stevens, deputy chairman of Beaverbrook Newspapers, had talked of difficulties in getting into agreement to new techniques and machinery—he felt himself becoming "curator of the most expensive museum in history"—a union view came from Mr. John Bonfield, general secretary of the National Graphical Association.

He claimed the unions had already accepted technological advances which had come in during the past 10 years. But unions had to look to short-term problems like redundancy as well as trying to take a long view on how technology could be a good thing in the eventual health of the industry.

To cope with short-term problems and the effects of current economic recession, everybody would have to face the fact that the pace of technological change as envisaged would have to be slowed down for a time.

He felt a national-level plan to monitor and control labour intake into the industry was necessary. Redundancies should be on a voluntary basis, and there should be national guidelines settled for bringing in the new technological systems.

Mr. Hussey reviewed the problems of the newspaper industry and the tremendous opportunity the new technologies offered of bringing back health and wealth to that sector of printing.

There was a difficult newspaper market, with poor medium-term prospects of supply and very poor short-term price prospects.

The industry's revenue base was under severe attack: business and advertising was slack. Circulations were down because of the effect on household budgets of 25 per cent inflation.

The electronic and broadcast media were developing further competition to newspapers, and the industry's production processes were slow and wasteful of manpower.

Mr. Hussey went on: "Any one of these problems could be enough to bankrupt some newspapers, but all these problems face us at once, and it seems evident that many newspapers will not survive this pressure for long unless they can find ways to reduce costs and modernize."

"You think that I mean national newspapers. In the long run regional papers have as much to fear."

The new technologies were an opportunity for the publishing and printing sectors as well as newspapers. He added: "I believe we now have a once-and-for-all opportunity not only to maintain the varied national press that we have, reflecting shades of opinion Right, Left and Centre, but also of creating a platform from which we can start new newspapers cheaply and establish them in this country."

He pointed out that now there were 130 national, provincial, daily and Sunday papers compared with 148 in 1948.

"This is not the picture of a dying and bankrupt industry. There is still a large and wide spread national and provincial newspaper industry. There is still great buoyancy in the regional newspapers markets."

But Mr. Hussey added this caution: "Since the rapid increases in the prices of newsprint and other raw materials, there has been a very marked fall indeed in circulation."

In May, compared with the same month last year, national

daily newspapers were down by a total of 555,000 copies and national Sundays down by more than 1.5 million.

He went on: "It is possible that we may have an increase in our prices again in the not too distant future. That could clearly have a devastating effect on circulation and therefore on advertising rates."

That in turn could affect employment throughout the industry.

The fundamental problem was not one of income—Fleet Street alone brought in something like £350m of revenue a year. It was a problem of costs.

"Newspapers are run on a high cost basis, frequently wasteful of their money, but this does mean—that most important point—that a significant reduction in newspaper costs could make a dramatic difference to their chances of survival and go a long way to preserving all present titles."

The only way to assure the future was to reduce operating costs by improving profitability, and to do this staffing levels would have to fall and efficiency would have to be increased.

Mr. Stevens said newspapers—the sector of printing where economic pressures were most strongly felt—must be independent of all pressures other than the approval of their readers and the advertisers.

If the national newspapers were stopped from taking advantage of the new technology, there would be no national newspaper industry. He agreed that readers were being misled by the fact that they were paying higher prices and advertisers not wanting to pay higher rates.

He went on: "We need new money for capital projects. Without money neither men nor machines nor management can develop for the future."

The mechanical and maintenance unions could not be criticized for plans that were wasteful and inefficient and for bad working conditions, but they could be criticized if means were committed themselves to heavy capital investment programmes and unions prevented it.

Beaverbrook Newspapers had plans which for the Fleet Street office alone involved £5m in investment. But some improved plant was standing idle—a new machine room ready last April had still not produced a single newspaper, automated publishing rooms had not tied a single bundle of papers.

Mr. Stevens added: "There are areas where considerable progress has been made and new plant is in production at new manning levels. But I regret to say that we have not been able to reach some agreements we need to complete re-planning programmes which every member of the company knows are vital for the future of the company and their jobs."

Mr. Bonfield emphasized that the technological advances were only a new phase in a process which had been going on for 10 years. The NGA had taken aboard during that time such revolutionary techniques as relay setting and transmission by such setting.

Increases in productivity which had resulted had reduced the field for future employment. Methods could more easily be brought in where there was expansion. But the union had decided not to re-plan the new technologies even though that was a possible strategy from a union point of view.

The setting up of national machinery to look at the problem of labour mobility, he felt, to convince those whose jobs were being left to chance. Guidelines nationally would have to be laid down before new technologies could be brought into individual establishments.

There was a heavy responsibility on all managements to devise imaginative redundancy schemes, because bringing in new techniques would be bound to displace considerable labour. Mr. Hussey went on.

In an area where the Government can be of great assistance,

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In an area where the Government can be of great assistance,

Leyland shareholders move to block nationalization plan

By Desmond Quigley

Moves by some shareholders to block the effective nationalization of British Leyland will reach a climax with the British Leyland Shareholders' Action Group meeting to consider an alternative scheme for the future of the company to the Ryder report and to vote on a motion which is basically one of no confidence in the BLMC board.

The meeting will be a certain extent test the power of the dissident shareholders, who have already lost the first round by failing to stop the company increasing its borrowing powers at an extraordinary meeting last month.

However, the full extent of the following for the dissidents is unlikely to be clear tomorrow because, institutional investors, who are not saying what their intentions are, are an important key.

There are suggestions in the City that some institutions will split their shareholding so to retain some stake in the new company which it is proposed will emerge from the Scheme of Arrangement.

Apparently felt that while they believed the Government's terms of 10p a share are the best that can be secured, they do not want to be seen as giving unequivocal backing to further Government intervention in industry. To this end, a part of their holdings may be cast in favour of taking up rights in the new company.

Some of the smaller institutions may also opt to stay in the new company if the Scheme is approved at an extraordinary meeting next month, on the basis that they have already written off their investments in Leyland and that, on a long-term view, a holding in the revised company may pay dividends.

At first, shareholder opposition to the Ryder proposals was scattered and uncoordinated. But during the last month or so there has been some coalescence with the Shareholders' Action Group making most of the running.

At today's meeting, Mr. Noel Falconer, a member of the Department of Decision Theory at Manchester University and a leading light behind the action group, will put forward a reconstruction plan.

He proposes that there should be initial investment of £200m, plus a further £50m a year compared with the Ryder report's suggestions that £1,500m was needed over the next seven years.

Mr. Falconer wants to see manufacturing reductions among both shop floor and management workers, a ban on graduate recruitment, an end to demarcation, and a reduction in overtime and multi-shift working at normal rates of pay.

Dr. Herbert Lane, a 47-year-old business consultant and another member of the action group, said yesterday that Mr. Falconer was drawing up a list of suitable directors for a new Leyland board. Dr. Lane said that Mr. Falconer's name would certainly be put on the list.

US index points to end of recession

From Frank Vogt

Washington, June 26. America's composite index of leading economic indicators rose for the third consecutive month in May, with most of the 10 individual components showing a decline.

These latest figures will strengthen the already widespread view among experts that the economy has finally turned from recession to real economic growth.

There was a rise of 2.1 per cent in the composite index for May to 95.9 (1967 equals 100), after rising by 3 per cent in April. The most important factor was the improvement in the inflation rate last month.

This latest data on prices has given rise to numerous optimistic forecasts with Mr. Walter Wriston, chairman of the Federal Reserve Bank, now predicting an annual inflation rate of just 4 per cent by the final quarter, while Mr. William Simon, the Treasury Secretary, is forecasting a 5 to 6 per cent rate by the end of the year.

Particularly encouraging aspects of the new economic data released by the Department of Commerce today were that large gains were registered in the volume of building permits issued in May, rises were seen in new orders from both consumers and businesses and the level of employee lay-offs remained unchanged.

Most experts consider the recession to be over and expect a return to real GNP growth to be seen in the third quarter.

5-year scheme for UK sugar

By Hugh Clayton

Plans to raise output of home-grown sugar by a third in the next five years were unveiled yesterday by the British Sugar Corporation. Mr. Kenneth Sinclair, chief executive, announced a modernization programme to increase the current annual output of white sugar from 950,000 tons to 1,250,000 tons in 1980.

The scheme is centred on five of the corporations 17 factories. The first factory, at Loughborough, is to be expanded.

Total costs of the scheme will be between £75m and £100m at today's prices, with the first £15m to be spent in the coming 12 months. The expansion will save £50m a year on the country's food import bill, Mr. Sinclair said.

Onassis airline sold

Greece has agreed to pay £30.57m for the airline of Aristotle Onassis for the takeover of Olympic Airways. The sum covers the company's depreciated assets including its fleet of airliners, as well as debts of £8m mainly to oil companies for fuel bills.

German surplus up

West Germany's surplus on foreign trade rose to DM3,235m (about £630m) in May from DM2,810m in April, so ending the consistent downward trend of the first four months of this year.

Aluminium price rise

Increases averaging 2.7 per cent for most of its aluminium products will be implemented early next month by the Kaiser Aluminium and Chemical Corporation. The upward price move is the first for 10 months and is designed to meet severe cost pressures in the company's aluminium operations.

Dearer Renaults

Retail prices of Renault's range of cars sold in the United Kingdom will be increased by an average of seven per cent on July 7.

French index rise

Informed sources in Paris said France's retail price index rose by 0.7 per cent in May compared with 0.9 in April, according to figures due to be published later today by the National Statistical Institute.

£36m Alfa Romeo loss

Alfa Romeo, the Italian car maker, lost more than £2,000m (more than £36m) last year, its annual meeting will be told.

W. H. Smith experiment

W. H. Smith is to experiment with five-day trading in two of its stores to see if this trading pattern, now widely used by several other retail groups, is applicable to its type of business.

Import controls call

The Clothing Manufacturers' Federation yesterday emphasized that it was pressing the Government to impose controls on imports of men's outerwear from Portugal. The heading on a report which appeared in Business News yesterday gave the impression that the CMF was seeking restrictions on imports of shirts from Portugal.

LETTERS TO THE EDITOR

Management education: filling in gaps

From Mr. Victor Leighton

Sir, Professor Ball's review of management education (June 23) was a most interesting, informative and yet, in my opinion, incomplete commentary.

His account of the growth and development of business schools like others, has failed to enlighten the reader as to the relevance of this form of training for management and the value of it as a forum for research. This is a pity if only because we are living in a period of economic stringency, and at a time when many are challenging the scale of public expenditure in education as in other spheres.

As one who, some time ago, saw the difficulties of integrating into an organization on completion of a two-year course, my experience and views may not be unique. Uppermost is a suspicion that far too many younger students are able to go on long management training programmes and far too few older students are able or are encouraged to take short courses.

The distinction is the fallacious mystique of the business graduate (who does not fit in for a long time) versus the experienced person, who takes a good short course, has an interchange of ideas with peers in other organizations and goes back enriched, and immediately improves his management team.

Business education is important to those who engage in it; those who fund it; and those who profit from it, and it would be encouraging to believe that all companies and public bodies fell into all three categories. However, as we move into a second decade of "Masters of Business Administration" one can unfortunately foresee a situation in which more and more young, prospective managers are encouraged to study for

the appropriate qualifications. The survey shows conclusively that Britain is lagging badly behind the rest of Europe, both in terms of provision for business education and in the remuneration of business graduates.

Even taking the alleged lower standard of living in Britain into consideration, there is still a considerable difference in real terms between the remuneration of a British business graduate working in the United Kingdom and another working in, say, Germany.

Only in the banking sector, much favoured by British graduates, can his salary begin to compete with that of his French equivalent, though certainly not those in Germany or Switzerland.

Not only is the British business graduate significantly worse off financially than his continental counterpart, but he also has far less opportunity to study business subjects before attending business schools.

One can speculate that the two factors are connected: the British business graduate is perhaps less well trained and paid accordingly. But my company's experience of British business graduates is that they are not better or worse qualified to do their job than anyone else.

It is in the area of remuneration that British has so far behind and until this situation is rectified the current exodus of good management from the United Kingdom is likely to continue.

It is also true that our economic survival as an industrial nation depends on the quality of management.

Yours faithfully,
ROBIN GOWLAND,
Managing Director,
Egon Zander International,
57 Jersey Street,
London, SW1.

Need to raise productivity

From Mr. E. A. King

Sir, Mr. Murray's message about our low level of productivity (Business News, June 19) must surely be given full support.

Concentration on the effects of inflation has overshadowed the fact that a rising standard of living can only be achieved by producing more from available resources. We have to increase productivity. We can argue about the distribution of the benefits created by that increase, but without it we shall languish at the bottom of the economic league.

Compared to our European neighbours, our productivity record is a sorry story. One reason is the lack of capital investment, and certainly more is needed, but there is still much we can do without waiting for investment. We have a wealth of unused expertise, techniques and ingenuity which could substantially improve our performance. What is more, the means for obtaining improvement lie clearly at hand.

The next wage claim, the new price increase and the next addition to government expenditure can be met from the customer, the tax payer or from increased productivity. The first two just shuffle the deck from one to another. Productivity, on the other hand, is creative and it is from this that our future prosperity will come.

E. A. KING,
Director and general secretary,
Institute of Practitioners in
Work Study Organisation and
Methods,
9-10 River Front, Enfield,
Middlesex.

Capital Transfer Tax relief for trusts

From Mr. A. M. Alexander

Sir, You will recall that, at the time when the Capital Transfer Tax legislation under the previous Finance Bill was being rushed through Parliament, a substantial body of representation was made through your columns, and elsewhere, on what were originally the penal provisions applicable to discretionary trusts. In particular, it was represented in many quarters, including by the Holborn Law Society on whose committee I serve, that the nature of these penal provisions were such that discretionary trustees ought to be afforded a period of grace during which time they could reorganize their trusts, without tax liability, to make them non-discretionary.

At that time the suggestion was turned down but of course substantial relief was afforded in the eventual Finance Act in connection with distributions made prior to March 31, 1980.

As a result of correspondence with the Revenue, it now transpires that due to the inefficiency of the parliamentary draftsmen the relief of the nature originally sought is in fact accidentally given under the Act.

In a recent letter from the Exchequer Duty Office that Office has written to say "as the application of the capital of the discretionary trust was affected prior to the 13th March 1975—(Royal Assent Day)—the application is not considered to fall within the provisions of Part III of the Finance Act 1975 and accordingly no charge to Capital Transfer Tax arises."

It appears that while gifts, which in the Act are called "transfers for value", are retrospectively caught after March 26, 1974, the parliamentary draftsmen omitted to remember that distributions from discretionary trusts were defined not as "transfers of value" but as "capital distributions" and hence omitted to specify the retrospective date from which such distributions might be taxed. Hence the Revenue have apparently decided that they

are unable to tax distributions made before the Act was law. A most laudable decision.

It is however an appalling commentary on the fiscal legislation that, as a result of an accident, transactions which were made through your columns, and elsewhere, on what were originally the penal provisions applicable to discretionary trusts. In particular, it was represented in many quarters, including by the Holborn Law Society on whose committee I serve, that the nature of these penal provisions were such that discretionary trustees ought to be afforded a period of grace during which time they could reorganize their trusts, without tax liability, to make them non-discretionary.

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EDINBURGH INDUSTRIAL HOLDINGS LIMITED

Points from the statement to shareholders

"Each company in the group is in a strong position to take advantage of any upturn in the national economy," said Mr. J. G. Bizley, the chairman, in his statement to shareholders.

In the light of economic circumstances since the year-end the board, he said, had reviewed critically the activities of each division and as a result the expansion programmes of the past three years had in general been put into reverse. Every possible economy was being sought to reduce break-even levels, particularly in those companies affected by de-stocking by industry or supplying the consumer industries.

Recent reviews of property owned by the group indicated a surplus of approximately £220 million above book value, equivalent to an increase of 3p in the net tangible assets per share, but the valuations had not been included in the accounts.

Addressing shareholders at the annual meeting, Mr. Bizley said: "The policy of the past three years of acquiring companies with a view to development and subsequent disposal by public flotation is no longer practicable because of the changed economic climate. Consequently, the directors propose to sell certain companies and to concentrate on long term investment in the remaining activities, particularly those relating to the Electronics Division."

The directors are confident that this new policy will enable the company to meet the problems of industry today.

Group interests

WOODWORKING • ELECTRONICS • PLASTICS
ENGINEERING • SMALL TOOLS

Business appointments

Fairey to get new chairman and managing director

Mr. A. Brown has been named managing director of the Fairey company. He succeeds Mr. E. H. Holder, who is to become chairman later this year after the retirement of Sir Joseph Blair.

Mr. N. P. Oppenheimer, since his return to Johannesburg, has joined the Anglo American Corporation of South Africa 20th division and has become a member of the gold executive. He has also been elected chairman of East Dagaal-ontain Mines and of The South African Land and Exploration Company.

Mr. Mark J. Bageot has been made a director of Schroders Ltd. Mr. John H. Bushell has joined the board of Henry Schroder Wagg & Co. Mr. G. M. Brac, Mr. J. C. Cairns, Mr. D. R. C. Ladden, Mr. Davies and Mr. M. J. C. Ladden have been made assistant directors.

Mr. A. Rackham, of Boet's Concrete, has been elected chairman of the Federation of Concrete Specialists. Mr. F. C. Rouse, of blockcrete, becomes vice-chairman. Mr. R. G. Palmer, of the Portland Cement Association, has been made managing director of John Palmer.

Mr. Philip Ainley, who recently retired as managing director of George Wimpey, has joined the board of Blundell-Perren & Co. Holdings.

Mr. J. Costello, a deputy chief cashier, will become chief accountant of the Bank of England with effect from October 2.

On the retirement of Mr. R. C. Balfour, Mr. G. L. Wheatley, an assistant chief cashier, becomes a deputy chief cashier in Mr. Costello's place.

BY THE FINANCIAL EDITOR

An attacking stance from the Capital Markets Committee

It is good to see the City Capital Markets Committee under Mr. Fraser offering an intellectual apology for freedom in the capital markets. From what Mr. Fraser has said, it is clear that the Committee is not averse to a more active role in the market. At least this should be a welcome change from the passive role it has played in the past. The Committee's role should be to ensure that the market is functioning properly and that there is no undue interference with the market's operation.



As such, Rascal is again looking for another period of growth. Given that the company is self-financing (one of the few which can point to an improved liquidity position after 1975) the shares could go further if the market generally recovers its nerve. At 261p they yield only 1.55 per cent and a p/e ratio of 13.3; the dividend, incidentally, is now covered 4.5 times.

Final: 1974/75 (1973/74)
Capitalization £62.5m
Sales £50.2m (£34.6m)
Pre-tax profits £9.6m (£6.2m)
Earnings per share 19.49p (12.15p)
Dividend gross 4.34p (3.85p)

ATV Non-television growth hopes

Almost all of the £1.5m decline in the pre-tax profits to £5.75m at Associated Television can be traced to the television network activities. And if ATV and the other contractors are unhappy about the present levy system, which begins to bite when profits hit £250,000, then they could be even less happy about the previous system which operated on a turnover basis. Hopes of any amelioration of the levy are dependent upon Government goodwill, so the present parliamentary timetable offers little scope in the foreseeable future.

Instead, one must look to ATV's other interests to provide future growth, and these seem promising. Films, if not too buoyant last year can look forward to possibly £3m of profits accruing from the Return of the Pink Panther which is apparently having great success in the United States, while there are great hopes for Mosses. Pye Records have so far defied the economic recession and must have turned in another excellent performance and property benefited from further lettings at the Birmingham development.

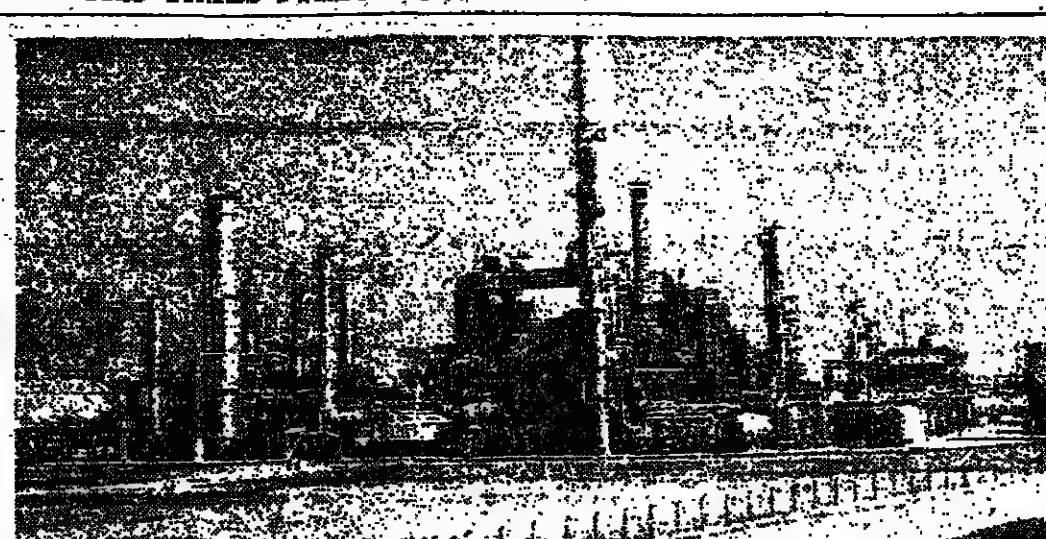
Even after the cut in the dividend total, the shares at 40p are yielding an attractive 14.8 per cent and are standing on an historic p/e ratio of just over 6. With the overseas earnings content increasing rapidly, the thought of a dividend front may be reassured by the rate at which the £10m-£15m in films could be recovered. A limited purchase of the shares should come to little harm.

Final: 1974-75 (1973-74)
Capitalization £4.75m
Sales £4.5m (£3.4m)
Pre-tax profits £4.3m (£3.2m)
Earnings per share 18.9p (8.4p)
Dividend gross 5.5p (4.9p)

Rascal Leaving the forecast behind

Having forecast profits of above £5m for 1974/75 Rascal Electronics has in fact managed £9.1m. Once again, then, its forecasting proves to be conservative. Rascal is in a growth situation with profits last year continuing the trend with a 53 per cent gain on sales 45 per cent ahead at over £50m. This and the fact that Rascal is a major overseas earner—some 70 per cent of its profits are earned outside the United Kingdom—selling to around 150 markets throughout the world, makes its shares a market favourite. All parts of the business did well last year, and with new products in its mobile telecommunications equipment range, Rascal apparently made substantial headway with its Clansman products which are introduced comparatively recently.

The only small doubt is the effect of British defence cuts with some 15 per cent of sales going to the United Kingdom Government which is, for instance, a major customer for Clansman but these cuts should mean no more than a



A BP refinery at Rotterdam: the company is negotiating to lease part of its surplus capacity.

Oil companies ponder the impact of a fresh rise in crude prices

Oil production from the Middle East is expected to start climbing out of a year-long depression during the next three months, as oil companies and consumers rebuild their stocks in advance of a price increase on October 1. Generous stocks put down in the wake of the supply crisis were depleted throughout the winter and spring as companies acted to free the large amounts of capital tied up in the oil storage tanks.

But the return to brisker trading could be temporary. Industry sources say that once stocks have been replenished and prices increased, "liftings" could again decline, although probably not to the very depressed levels of earlier in the year. Evidence of economic recovery, plus a cold winter, are needed to ensure a longer term recovery in demand.

The Organisation of Petroleum Exporting Countries (Opec) will find the higher liftings a temporary relief from the pressures that the slump in demand for crude oil has placed on the organization's unity. For the oil companies there will be short-term advantages in keeping a price rise, although topping up the tanks will mean increased capital spending.

Restocking, however, will not provide the stable conditions which both producers and oil companies need to complete the adjustment to their new roles in the international oil business.

Oil industry sources estimate that restocking, plus a modest increase in actual demand, could push up daily output by between two and four million barrels a day—mostly from Opec countries. With output from these countries at present hovering just below 26 million barrels a day, restocking could help restore liftings to just below the 30.6 million barrels a day average for 1974—still well below the 33 million barrels a day of production before the 1973-74 supply crisis.

Assessing demand

From the Opec viewpoint the upsurge in activity over the next few months could be confusing. Experts are trying to fathom the future course of crude oil demand in their efforts to determine just how large a price increase the consuming countries can afford to pay from next October 1.

Moderates within the organization are aware that calls for 30 per cent increases in oil prices could delay the western world's emergence from a prolonged economic depression and again reduce the demand for crude oil, with all the attendant problems this has brought to Opec's aid.

artificial situation which will encourage the more militant members of Opec to press home their claims for 30 per cent increases on the grounds that the oil market is healthy enough to stand such a rise.

Throughout the oil glut which experts predicted would break the producers' cartel, Opec has managed to keep its pricing structure in tact, despite marginal shading by some of the high-cost African producers. Saudi Arabia's willingness to accept a "balancing wheel" absorbing three million barrels a day of price cuts, is largely responsible for continued solidarity.

The upswing in liftings has probably come just in time to save the organization from its severest test. During May Saudi production rose by more than 1.1m barrels a day at the expense of other Gulf producers, notably Iran, as the oil companies have sought the cheapest possible sources of crude to make a "balancing wheel".

Because of the Saudi upswing, Iranian production declined by 19 per cent to its lowest level since September, 1972. It is doubtful whether the Iranians could afford to allow this to continue for any length of time.

Opec restrictions on profit levels for the oil companies have resulted from the control that the producers have won over the industry. Instead of making their money at the crude oil trading or "upstream" end of the operation, companies are now being forced to maximize their profits from "downstream" refining and marketing, where previously profits had been considered a bonus to "upstream" trading profits, but not essential.

Signs that the companies have already started to tailor their operations to fit this situation are now emerging. Gulf Oil is restructuring its operations into seven investment companies, all working independently of each other: BP is negotiating to lease part of its surplus Rotterdam refinery capacity to an independent refiner; and Shell has been years ago.

But the time for the restructuring is not ideal. The glut of crude has produced cut-throat competition in the market-place, particularly on the Continent, where few companies are making any marketing profits. At the same time demands for capital to invest in new energy projects is growing from within the large corporations. Chase Manhattan estimates that the industry needs to invest 1.2m million dollars up to 1985.

The average drop in earnings for the five largest American oil companies, Exxon, Gulf, Mobil, Standard Oil of California and Texaco was 30 per cent in the same quarter.

In this situation none of the usual oil company pundits is anxious to forecast what will happen when the size of the Opec price rise is announced in September. There is unanimous agreement that increased costs must be passed on, but how this will be done in such a competitive market is uncertain. Most companies are hoping that demand will have edged up slightly by the autumn.

In the United Kingdom, where at the beginning of the year margins were the largest in Europe, returns have been progressively whittled away by the competitive state of the fuel oil and gas/diesel oil markets. Large industrial consumers have been able to negotiate improved rebates and Shell and BP led a move to a lowering of the scheduled price on the gas oil/diesel side. Only generous profits in the petrol market make the overall trading pattern profitable.

Out-dated 'ceilings'

Main complaints from the industry are that the profit ceilings were set at a time when "upstream" profits were available. Now they are forced to seek returns at the other end of the market the companies are hampered by out-dated ceilings and the severe competition.

The bulk of industrial fuels in the United Kingdom are sold on long-term contracts, and while in times of intense competition buyers can win larger rebates the market is generally free from the peaks and troughs of prices that occur on the Continent, where industry tends to buy short-term with prices linked to the spot market.

After a period when prices were rising, major refiners and retailers were losing money on every barrel processed, returns in Europe are beginning to improve very slightly and there appears to be a trend towards harder prices. Even the spot crude market is beginning to strengthen and buyers are now emerging for the more expensive Libyan and Nigerian crudes that were almost unsaleable a few months ago.

Restocking is unlikely to bring any major relief to the suffering tanker market. The larger volume of oil on the move will probably not justify taking out of moth-balls any of the 100 million tons of redundant tankers that are laid up throughout the world. Instead, vessels that are slow steaming on the routes between the oil fields and the industrialized countries will increase their speed so that higher volumes can be delivered.

Roger Vielvove

Flixborough: lessons for technology and management

Lessons in management and technology from the explosion at the Nypro (United Kingdom) factory at Flixborough in June 1974, are relevant to a wide range of industries, and not simply process industries using flammable chemicals, according to a report published yesterday. Potential hazards can be identified and to some extent quantified; ways of controlling or financing risks can be evolved. Management should be prepared for the worst possible disaster and their planning should reflect this.

This, in essence, is the message which the author of the report, Dr. Harry Taylor, of the Keith Shipton Developments consultancy, London, conveys. At Flixborough the normal process for producing caprolactam (used in the production of a type of nylon) involved six reactors, connected in series, in which cyclohexane (a liquid similar in many respects to petrol) was heated under pressure. Before the accident, No 5 reactor developed a leak and was taken out of action for inspection. It was heated under pressure, and the leak was not detected until it was too late.

It was by-passed by connecting reactors 4 and 6 by a temporary pipe and bellows assembly, which had to be angled or "dog-legged" to accommodate a difference in height. The forces acting on this type of connexion were not appreciated and the assembly itself was not realistically tested before being fitted, the subsequent court of inquiry determined. After the modification, the plant was shut down for almost two months. On May 29 the plant was shut down after a leaking valve had been found.

It was started up again in the early hours of Saturday, June 1. During the afternoon of the same day there was a rapid leakage of hot liquid which partly evaporated into a large vapour cloud which ignited and exploded, killing 28 people, injuring 36 more and more or less demolishing the factory.

The court of inquiry determined that there were two possible sources of the initial leakage of cyclohexane. One was failure of the 20-inch-diameter dog-leg connexion between the two reactors; the other was failure of an 18-inch-diameter pipe joining two other vessels. The more probable cause, the court concluded, was failure (enlargement, jack-knifing and rupture) of the dog-leg pipe and bellows assembly.

Both the managing director and the general works manager were qualified and experienced chemical engineers, but the position of works engineer, previously held by a chartered mechanical engineer, was vacant. Even before the departure of the works engineer the engineering structure of the company had been recognized to be weak.

So much for the events leading up to the accident; what of the lessons? First, for management: most obviously, Dr. Taylor says, there is the need to identify and evaluate risks with sufficient accuracy to be able to take correct decisions. This is reflected in a company's contingency planning to cover all risks, including the risk of disaster. With the Flix-

borough explosion came the destruction of all records of the operation of the plant; in potentially hazardous situations a special protection for people and records is desirable. Potentially catastrophic risk may be associated in particular with process industries in which flammable liquids and gases; and, indeed, it may be here that engineers and scientists can make their greatest contribution.

But attention to technical detail is important in other industries, too, Dr. Taylor argues. "Trains, which run into buffers," he says, "coaches which crash into ravines, schools which suffer partial collapse through the use of the wrong cement are all examples of tragic or serious accidents which could probably have been avoided by attention to technical detail and the asking of awkward questions at the right time."

Flixborough highlighted many lessons for financial directors and insurance managers in industry, the Shipton report says. Third party liability, for example, is highly relevant for owners of hazardous plant in built-up areas.

Nypro was the sole producer of caprolactam in the United Kingdom, so that the sudden total loss of this source of supply must have been critical for customers. To what extent could they have been protected by double-sourcing of supplies or by insurance? And how adequate are insured values in a time of high inflation?

Among the technical lessons arising from Flixborough is the general difficulty of ensuring that the quality of any modification matches the quality of design and construction of the original plant. "As a general principle it should be considered that change implies danger," Dr. Taylor says, "and that whatever modifications are made to a plant, it may be necessary to bring in more than one engineering discipline to ensure that the extent of the danger is kept to a minimum."

Technical investigations of the Flixborough accident revealed a number of gaps in technology. The crack which caused the leakage in Reactor 5, for example, was caused by the previous use of nitrate-treated cooling water to dilute small leakages; this risk of nitrate stress corrosion was not generally recognized before.

The general importance of the lessons of Flixborough are being underlined by the Department of Employment's Health and Safety Executive, which has begun to distribute 100,000 copies of a 10-question leaflet to industry. A Flixborough-lessons leaflet is being held at the Industrial Health and Safety Centre in Horsesherry Road, London.

Flixborough. The implications for management by H. D. Taylor, published by Keith Shipton Developments, London, in association with Woodhead-Faulkner, Cambridge; £1.50. After Flixborough, 2; published free by the Health and Safety Executive, London, and available through offices of HM Factory Inspectorate.

Kenneth Owen

JOHN BRIGHT GROUP

Hopes fulfilled
The 52nd Annual General Meeting of the John Bright Group Limited will be held in London on July 16, 1975. The following is a summary of the circulated Statement of the Chairman, Mr. I. M. L. D. Forder, for the year ended March 30, 1975.

THE RESULTS
The results of the Group for the year have fulfilled the hopes expressed in my last Statement. Pre-tax profits of the Group before deduction of Loan Stock interest rose from £944,806 to £1,267,606. Our profit would, however, be substantially lower than the figure shown in our accounts if depreciation were charged at the full rate demanded by the increased replacement cost of plant and machinery. An interim dividend of 0.95p has been paid and your Board now recommends a final ordinary dividend of 1.10p per ordinary stock unit of 25p, making a total of 2.05p for the year against 1.925p paid for the previous year. After allowing for tax credits, the total dividend is equivalent to 12.441 per cent, as against 11.268 per cent, paid last year.

TRADING
Industrial textiles have increasingly become our dominant operation and our order book in this division at the close of the year remains at a high level. Our spinning capacity enjoyed an almost insatiable demand for cotton yarn until September, when the market declined sharply. The decision was taken during the year to reduce our spinning output to a level more in keeping with our future needs. This reorganisation has now been completed successfully and we are once more trading profitably in our spinning activities. The operations of the carpet yarn spinning unit suffered from the recession in the carpet industry, but the adverse effect was somewhat mitigated by the continuing demand for heat-set yarns. Since November, the downturn in the motor industry world-wide has been reflected by a fall in the demand for tyre cord fabric. The decision was reluctantly taken in March to close our Carhill plant in order to concentrate production and preserve the skilled labour force at our other two cord fabric plants. Building on our present strong position in the technological field of reinforcement materials for the rubber and plastics industries, we have embarked on a major expansion programme in this area.

THE FUTURE
With a good order book for industrial textiles and the improvement in the raw material supply position, we should be able to look forward to another satisfactory year, even though the outlook for our carpet yarn and cord fabric activities is not as encouraging as we would like it to be.

Business Diary: Petrol pump • Knight errant

Ince of Wales sat in on a board meeting at Sir Eric's house, clearing next year's expenditure projections to a board meeting. The prerogative of the Ince, Sir Eric Drake, and his to be seen whether a shareholders' will in be involved in the case boardroom. The chance to pump BP's on how a board functioned after he had seen a company board in progress.

It was five years ago that Sir Maurice was pulled out of retirement by the now defunct Industrial Re-organization Corporation to head the group reconstructed from the collapse of Cammell Laird. He had retired from a deputy chairmanship with BP three years earlier, although he had immediately taken on the chairmanship of a committee established by the Government to examine the patent system and patent law.

controversial plans to nationalize the shipbuilding and services of Sir Maurice. Sir Maurice was belatedly named the National Cancer Day Society's Businessman of the Year in 1972 for his work at Laird, which, it was noted, had been achieved "despite the heavy setbacks that Laird suffered in the Hawley Page and Rolls-Royce collapses".

With Sir Ian's appointment the wheel has turned full circle. His time as a company doctor with Rolls-Royce 1971 was a controversial and fairly stormy one. His familiarity with the Whitehall-industry interface should make him fit for the battles ahead.

A recent government White Paper substantially accepted the recommendations made by that committee and the Bill is expected to be introduced in the next Parliamentary session. Before his retirement—the first, as he had spent a life in the oil industry, joining Anglo-Persian Oil Company (later BP) in 1924 and with a long stint on the refinery side of the company's operations. It may be that Sir Tony's chief purpose of the nationalization Bill, which would have had a big impact on Laird,

may in his new role as energy supremo call again on the services of Sir Maurice.

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£10,000 reward

Checkmate Fashions, a Leicester knitwear manufacturer, is this week sharing out a £10,000 bonus among its 300 employees at a time when many companies in this business are working short staff.

Stefan Olsberg, Checkmate's managing director, says that many of the shopfloor workers would make up for two thirds of the £280 million negotiated rise that they decided to forgo last January.

Managers and machinists alike voted to forgo rises for a year after Olsberg said that the resulting increase in competitiveness would make short-term working less likely.

He estimates that the workers' forbearance enabled him, long before the pound tumbled to its present depths,

to pitch manufacturer to wholesaler prices 10 per cent lower than otherwise, which may have meant that the garments were 20 per cent cheaper than otherwise in the shops.

More than half the firm's business is for export. Olsberg regards Checkmate as being in competition with other British fashion manufacturers rather than with the Taiwanese.

The hosiery and knitwear workers' union disapproves of the deal and of the continuous working that has resulted. Checkmate is, however, a union shop and union members voted for the year-long voluntary freeze along with the rest.

Olsberg says that some of the girls are now earning more money than before the foregone

rise, anyway. Furthermore, he hopes to declare another bonus at Christmas.

Motoring guide

British Leyland's complaint to the Advertising Standards Authority about a Ford advertisement claiming that a Cortina is cheaper to run than a Mini only mirrors developments already afoot in the United States.

There Ford, along with General Motors and Chrysler, the other two members of the "big three", have filed a petition with the Federal Trade Commission asking for guidelines on fuel economy advertising. Volkswagen, the biggest European importer, as well as



Holloway

"I knew it! As soon as the poor pensioner buys index-linked savings certificates the Government steps in to halt inflation!"

Toyota and Nissan, are said to be receptive to the application. The idea is that the Environmental Protection Agency's test results would have to be included in fuel economy advertising, thus allowing a third party to settle the matter, much as cigarette companies can proclaim their product is less poisonous than somebody else's on the basis of impartial official tests.

Where there's a will, there's a way, and five nephews who are all legatees in a will published today have to find it or lose £500. A Lancashire man who died earlier this year has left a will providing for his widow, left £200 each to the nephews. This is to be invested with the intention of making the highest capital gain within a year from payment of the legacy, the winner to net another £500.

Perhaps inherited wealth wouldn't have been such a hot political potato if more wills reached this standard of inventiveness.

Stock markets

Pressure on the pound sends share prices sharply lower

The renewed pressure on the pound overwhelmed all other factors in the stock market yesterday, and both gilts and equities fell sharply. Equities opened the day well, but slumped at mid morning when sterling's downward plunge brought a spate of nervous selling.

The City was pleased with the TUC's agreement to a stronger line on pay claims and also with the extensive amendments to the Government's Industry Bill. But investors were unnerved by fears that a setback for the pound could force the Chancellor into economic measures more severe than anticipated.

Gilts had an unhappy day. "Shorts" were worried by the further decline in sterling and the possibility of a slight increase in Minimum Lending Rate today. "Longs" suffered

Speculators in New York stocks were buying shares of Attock Oil, which rose by 5p to 64p. The board of Attock is anxious to widen the group's activities and once showed interest in Bull & Collins (Oil & Gas) whose shares have also been favoured recently.

Smaller falls, partly attributable to profit-taking after Wednesday's rise. Dealers described business as fairly heavy.

"Shorts" were as much as 1 point down. Falls of 1 or 2 points were common in "longs" but most prices were 1 point above the bottom.

With the trading account

due to end today, the equity market was a sorry place as Wednesday's buyers were shaken out. The weight of selling was less heavy than the fall in market indices suggested, however. Marketed shares totalled only 6,104, and buyers were able to pick up stock below market levels, and thus further depress the indices. But trading for new time brought no buyers—in fact trading died away to a trickle.

The slump in the pound brought selling of shares in Britain's major exporters, who would be quickly affected by emergency moves to curb foreign exchange trading. ICI fell to 275p (closing later at 255p, a net 6p off), and Bats dipped to 300p (later 3p off at 307p). Fisons, finally 10p off at 374p had touched 373p, and Glaxo, 12p off at 330p had touched 327p.

Shares in Bowater, still smarting from the rights issue, fell 6p to 144p, and Reed International at 225p were also easier. The market is feeling rather full of rights issue underwriting just now and the knowledge that others are waiting in the pipeline helps to depress shares.

An enthusiastic reception for Wednesday's trading figures lowered Plessey by a further couple of pence to 65p. GEC, due in report soon, gave up 5p to 177p. ICI was weakened in further response to Wednesday's trading report.

The one firm section was the shipbuilder shares, where news

of postponements of nationalisation put severe pressure on Swan Hunter (653p) and Vosper (67p).

But GKN (225p), Tube Investments (240p), Metal Box (238p) and Hawker Siddeley (252p) all fell back. Among the building shares, fears of cuts in public spending were reflected in falls in Taylor Woodrow, 13p off at 284p, and AP Cement (135p).

Nor was there any joy in the food and consumer stocks which

have taken such a pounding as the market awaits the Chancellor's decision on the price controls, demanded by some of the TUC. British Home Stores (295p), J. Lyons "A" (152p), Boots (205p) and Sainsbury (180p) were all under selling pressure again, while a further loss of 5p took Marks & Spencer below the 200p level to close at 195p.

Among the few brighter spots were Baker Perkins, 2p up at 36p on the disclosure that

Slater Walker Securities has increased its stake in Baker Electronics, featured in this column yesterday, which rose to 265p at best after producing a rights issue as well as good profits. Shares in Berry Wiggins, touched 91p with the market eagerly anticipating a further financing deal, probably with Consolidated Goldfields.

Bank shares took a further tumble as yet another stockbroker took a bearish view, and the market took fright at hints of a rights issue from one of

the big names. Worst hit were Lloyds Bank (220p), and Barclays Bank (210p).

Sudden fears that a freeze on business might be part of the Chancellor's plans brought losses in M&P (106p), Land Securities (165p) and several other property groups.

Oil ended a shade lower but saw none of the selling of the United Kingdom industrial market.

Equity turnover on Wednesday totalled £51m (4.28% of market value). Active stocks yesterday, according to Exchange Telegraph were Glaxo, new Distillers, Rank "A", Marks & Spencer, ICI, Midland Bank, Lloyds, GKN, Shell and Berry Wiggins.

Mining finance house shares recovered yesterday with Selection Trust prominent, 15p better at 585p, on thoughts that the rumoured rights issue is still a long way off.

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Latest dividends

Company	Ord	Year	Pay	Year's	Prev
All dividends in new pence or appropriate currencies	div	ago	date	total	year
Assoc Paper (25p) Fin	1.0	0.9	30.7	2.64	2.05
Assoc Television (51) Fin	2.05	3.03	—	3.9	5.12
Blundell-Permo (25p) Int	10	6.54	15.7	—	133*
Brickhouse (10p) Fin	2.0	1.54	8	2.0	1.84
Brickhouse (10p) Fin	1.15	1.03†	—	1.74	1.64
Comben Group (10p) Fin	0.9	3.35	—	1.35	2.80
B. Elliott (25p) Fin	1.95	1.06†	—	3.62	2.53†
English & Int (25p) Fin	2.1	2.1	25.7	3.15	3.15
Graham Wood (20p) Fin	0.93	—	—	1.68	1.49
Hardys & Hanson (25p) Int	1.65	1.4	6.8	—	4.7
Kenning Group (25p) Int	1.30	1.34	1.10	4.13	3.16
Lamson (10p)	0.7	0.7	1.8	0.7	0.7
Ldn & Midland (25p) Fin	2.2	2.2	777†	3.7	Nil
Thomas Marshall (25p) Fin	2.1	1.89	—	3.24	2.98
Michael Cotts (25p) Fin	2.36†	2.11	—	3.02†	2.77
Pleasuremax (5p) Int	0.67	0.67	—	1.10	1.53
Racal Elec (25p) Fin	1.99	1.86	—	2.64	2.61
Chaw Carrels (10p) Fin	1.2	1.0	—	2.07	1.89
Sheepbridge Eng (25p) Fin	1.79	1.64	—	2.85	2.62
Sidlaw Inds (50p) Int	1	1.1	15.8	—	4.39
J. W. Spear (25p) Int	1.21	1.1	1.8	1.87	1.72
Strad & Simpson (25p) Fin	1.59	1.44†	4.8	2.09	1.79
Technology Int (25p)	2	1.88	32.7	—	1.88
Trustee Corp (25p) Fin	1.75	1.65	30.7	2.95	2.85
Warwick Eng (20p) Fin	0.26	0.1	25.7	3.36	2.1
Websters Pubs (5p) Int	0.26	0.34	30.9	—	0.61

Dividends in this table are shown net of tax in pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross, multiply the net dividend by 1.54. † Adjusted for scrip. * Cents a share. ‡ Increased to reduce disparity. † Forecast.

In counting up its total pre-tax profits for the half year to March 31 last Pleasuremax, the casino and amusement park group, has not included losses from the associated company Mayfair Casinos, which management accounts indicate that these came to £185,352.

For the full year to September 30, 1974, Mayfair made profits of £239,000 before tax and £129,000 after tax.

Pleasuremax explains that it has served on Chippa, the majority shareholder, notice to buy Pleasuremax's 25 per cent stake. The Mayfair losses are also a matter of dispute.

In the half year group pre-tax profits rose from £36,000 to £175,000 but with no Chippa earnings, the attributable profit is up more modestly at £85,000 against £70,000. Chairman Lord Harmer-Nicholls remains confident that the group's profit comes into the second half year, but he looks forward to better figures from activities under group control for the full year. Meanwhile the interim dividend is 1p a share gross, or 0.67p net, the same as before.

Blundell seek loan

Delayed price increases and difficult trading in the professional sector of the home-decorative market (decoration by merchants) have cut the April 30 half year results of Blundell-Permo Holdings. Pre-tax profits fell from £473,000 to £272,000 on sales up from £3.57m to £4.81m. The

board is seeking to borrow £1m over 10 years from Finance Corporation for Industry.

The full year is likely to produce a profit of about £320,000 against a record £17m. Meanwhile the interim dividend is enlarged from 1p to 1.03p.

Bowater in Swiss merger plan

Basle, June 26.—Schweizerische Reederplan plans to merge with three operating companies of Bowater Corporation's Neptune International Holding. The new combine would be capitalised at 25m francs (£4.6m) and owned 53.8 per cent by Swiss interests and 46.2 per cent by Bowater. It is hoped that rationalisation will improve a poor earnings position.—Reuter.

Stead & Simpson

Footwear and motor group Stead & Simpson reports a fall in pre-tax profits from £138m to £135m for the year to March 31. Turnover was ahead from £10.78m to £12.58m. The dividend is raised from equal to 2.84p to 3.18p gross, while earnings a share are 2.91p against 3.5p.

Marshall confident

Thomas Marshall Investments, the clothing group, managed to keep moving in the year to March 29 last, raising pre-tax profit a bit from £11.3m to £11.5m. But sales rose by a fifth to £17.85m. Second half profits

failed to match those of the first six months as new factories took longer than expected to reach full output. But past tax losses came to the rescue, helping to shift profits available to ordinary shareholders from £562,000 to £708,000. So the dividend rises the maximum, from 4.44p gross a share to 4.99p. The new factories are now making profits.

Authority's loss

For the half year to September 30 last Authority Investments, which carries on business as an investment trust and has connections with the Lever family, has returned a pre-tax loss of £348,000. This compared with a profit of £125,000 previously. The bulk of the group's income is derived from banking and property. It also has a stake in the assets of the tightly held shares of British & American Film Holdings.

Brickhouse record

Record turnover and profits are reported by Dymott-based Brickhouse Dudley, makers of road and inspection manhole covers and frames.

Turnover, bounded from £8.22m to £13.01m in the year to March 31, pushing pre-tax profits up from £1.5m to £1.5m. The total payment is being raised from an adjusted 2.36p gross to 2.65p gross.

Happy Spear

J. W. Spear, the "Scrabble" toys and games group have

hailed pre-tax profits by 5 cent to £128m last year, raising them by an average 64 per cent in the first months. But last November directors explained that the group had stocked up on raw materials, which would ease the group's total gross dividend 2.5p to 2.88p; says it have paid more but to Government; proposes a six pence scrip issue, reports good order and more plentiful materials.

Spencer Clark jump

High speed too! Spencer Clark Metal tries, are doing well, half year to March 31 profits showed an exp from £151,000 to £320,000. Turnover, the group's £27.3m. The interim dividend goes up from 0.89p to 1.

Kenning opens well but outlook darker

By Desmond Quigley

Kenning Motor Group has kept pre-tax profits moving. They rose by three per cent in the half-year to March 31 to £1.6m, though turnover went up 15 per cent to £69.3m. However, these profits are still below the figures for the first half in the two previous years.

In his statement with the interim figures yesterday, Mr George Kenning, the chairman, said that he regarded the profit increase as satisfactory.

But he warned shareholders: "Despite this promising beginning to our financial year, I still believe that profits will decline." It was impossible to

predict the level of the short-fall, but Mr Kenning added that regular price increases of new vehicles and other goods was engendering sales resistance.

During the first six months, net interest charges rose by £25,000 to £429,000, due to a hefty fall in the amount of interest received.

Mr Kenning says that new and second hand car profits showed a good increase, while Kenning (London) returned to profit following reorganization. The car hire section had a bad six months in line with most other operators, but although the situation is improving, margins are still inadequate, says Mr Kenning.

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Sheepbridge tops £2m after strong finish

By Tony May

Passing the £2m mark for the first time, Sheepbridge Engineering has pushed its pre-tax profit up from £1.67m to a record £2.63m for the year to March 31. Turnover rose from £28.05m to £37.54m. Share-

holders will receive a payment of 4.32p gross, against 3.85p, while earnings a share are up from 3p to 4.5p.

The board of this Derbyshire-based group says that the year has finished with a high volume of orders in hand, and demand

for most group products is holding up well. This will ensure a good level of production for some time ahead.

The bulk of the group's profits fell into the second half when the growth rate was a steep 116 per cent to £1.54m, against an 18 per cent rise in the first half to £1.09m. This reflects the record volume of orders reported at half time.

Margins for the full year have jumped from 5.7 per cent to 6.9 per cent. At half time, margins narrowed from 7.02p to 6.8p.

Mayfair Casinos slows down Pleasuremax

In counting up its total pre-tax profits for the half year to March 31 last Pleasuremax, the casino and amusement park group, has not included losses from the associated company Mayfair Casinos, which management accounts indicate that these came to £185,352.

For the full year to September 30, 1974, Mayfair made profits of £239,000 before tax and £129,000 after tax.

Pleasuremax explains that it has served on Chippa, the majority shareholder, notice to buy Pleasuremax's 25 per cent stake. The Mayfair losses are also a matter of dispute.

In the half year group pre-tax profits rose from £36,000 to £175,000 but with no Chippa earnings, the attributable profit is up more modestly at £85,000 against £70,000. Chairman Lord Harmer-Nicholls remains confident that the group's profit comes into the second half year, but he looks forward to better figures from activities under group control for the full year. Meanwhile the interim dividend is 1p a share gross, or 0.67p net, the same as before.

Blundell seek loan

Delayed price increases and difficult trading in the professional sector of the home-decorative market (decoration by merchants) have cut the April 30 half year results of Blundell-Permo Holdings. Pre-tax profits fell from £473,000 to £272,000 on sales up from £3.57m to £4.81m. The

board is seeking to borrow £1m over 10 years from Finance Corporation for Industry.

The full year is likely to produce a profit of about £320,000 against a record £17m. Meanwhile the interim dividend is enlarged from 1p to 1.03p.

Bowater in Swiss merger plan

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Nchanga make money thanks to lead, zinc

By Andrew Wilson

Tim Nchanga, Consolidated Mines made a pre-tax profit of £50m (about £300,000) du the March quarter (K22.5m preceding quarter) can pa be attributed to the rela strength of zinc and lead pri Taking a line through the c of Zambia's second lar copper producer, Roan Consolidated Mines, during same period Nchanga's proceeds of £543 a tonne copper can only just covered costs—given RC figure of £545 a tonne.

Rocketing oil prices and mining transport difficu played a large part in the falling in the cost per ton of the 123,000 tonnes of metal mined from the equivalent £446 to £501. With all metal prices easier since M the prospects for the quarter are far from encoi

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BELL'S
SCOTCH WHISKY
"Afore ye go"

Where we go

[illegible]

